

November 2001

PublicGaming

INTERNATIONAL

Lotteries Rebound From Attacks



New Leader For NASPL: Arch Gleason

World Meet Wrap-Up

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The ILTS Intelimark is
built around the Epson IR 300

Now they come from the ILTS/Epson team!

For more than two decades, ILTS has designed and built the most reliable terminals in the wagering industry. Their performance is near legendary. Datamark 4 terminals in Sweden have been in continuous service for 20, and are still in active use today. DATAMARK 8 terminals in New South Wales proved so reliable that on average they required a service call only once every two years.

Overall, ILTS terminals achieve MTBF more than double the industry average.

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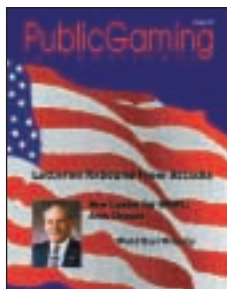
Now ILTS has teamed with Epson, the world's leading supplier of value-added POS solutions to introduce the Intelimark, a new on-line lottery terminal that integrates field-proven ILTS ticket-handling technology and its legendary performance with the latest point-of-sale technology.

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A new standard of performance from a new team in the industry.

ILTS EPSON
The advantage of teamwork!



ON THE COVER:

New leader for NASPL:
Arch Gleason

PublicGaming

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NASPL REPORT

by Arch Gleason, NASPL President



As citizens and lottery professionals, we face the most uncertain times of our lives. The terrorist attacks of September 11, and subsequent events, have left all of us wondering what tomorrow will bring, for ourselves, our families, and our industry.

That's why I must acknowledge the tremendous accomplishment of Tom Shaheen and his staff at the New Mexico Lottery Corporation. Their efforts in the context of current events, as well as those by Penny Kyle, David Gale, the NASPL staff and over 100 volunteers from NASPL member lotteries, made for a tremendous World Meet '01 in Albuquerque in October.

It was heartwarming to see old friends and make many new ones, from both North America and throughout the world as we welcomed our colleagues from the World Lottery Association. It would have been easy and understandable for our WLA associates to remain at home during these troubling times. But, they didn't. Hundreds came from dozens of countries on every continent. WLA President Reidar Nordby, Jr., is to be commended for his leadership in encouraging members to travel to America to attend World Meet '01 during such unsettling times.

NASPL members are endeared to our WLA friends who joined us in New Mexico. As my predecessor Penny eloquently stated at the conference, our WLA associates have truly become a part of our family. We thank them for supporting us when we needed them most.

Typically, the conference would not have been filled with the enormous amount of American patriotism that was on display. However, as noted, these are not typical times. The flags, songs, and videos were part of the healing process that all citizens of our country are presently going through. We trust that our international visitors understood and were glad to learn of the love that we have for our great country and the value that Americans place on freedom.

Certainly, the current circumstances bring to light a multitude of questions for our industry, many of which were addressed at World Meet '01.

For example, how do we market our games in the cur-

rent climate, and what additional security measures must we take to ensure the safety of our employees and the integrity of our products?

I believe that we must face these and other timely issues head on and without delay. Now is the time for all lotteries and vendors to review safety and security plans and procedures, as well as business continuity plans.

Some in our industry may question the significance of what we do in a time like the present. I believe our lottery games play an important role, providing diversions though entertainment and hope for the many people who choose to play, as well as raising billions of funds for public benefit.

Although world circumstances are in flux, we must remember that our missions have not changed. Our players and retailer partners still expect high quality games. Our respective government stakeholders still expect increasing dividends to pay for a variety of good causes.

As I begin my tenure as NASPL President I realize that the coming year could be one of the most critical our members have ever faced. Our collective and individual successes in the coming months depends on our resolve to deal with the current situations as well as circumstances that may evolve.

I am encouraged and comforted in knowing that our industry is up to the challenge. That's because I know in my heart that lottery people truly are the best. We have talented and experienced professionals throughout our NASPL and WLA member lotteries, and our lottery vendor community, who will face these difficult challenges and overcome them for the good of the people we mutually serve and benefit.

A handwritten signature in black ink that reads "Arch Gleason". The signature is fluid and cursive, with a large, stylized 'A' and 'G'.



ARE YOU

READY TO DOWNLOAD
YOUR FUTURE?



Introducing
PowerTransfer™ —
the Complete Central Control
Download System that Works:

- With multiple vendors' video lottery terminals
- From your lottery headquarters
- Without dispatching technicians
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- Using VLC's existing video control system—the Advanced Gaming System

VLC's PowerTransfer downloadable software system works to save you millions of dollars and months of time when implementing new gaming software on your video lottery network by downloading software from VLC's central system to site controllers and video lottery terminals at any location.



Around the World

Austria

Access Gaming Systems (AGS) has delivered the "third pillar" of the Austrian Lottery's Internet gaming portal, with the addition of 6/45 Lotto and Quicktip cash-based games to their existing interactive gaming system.

The Lotto numbers are entered by the players over the Internet, validated by The AGS System and passed in real-time to the Austrian Lotteries' central system. Players pay using either a Pre-Paid Card or Credit Card.

Chile

Polla Chilena de Beneficencia S.A. (Polla), a state-owned company that administers and operates national lottery games in Chile, has selected another vendor to provide equipment and services for a new online and instant ticket lottery system under a seven-year contract. GTECH's current contract, which generates \$4 million annually, is set to expire on August 23, 2002.

GTECH will retain its financial services contracts in Chile and expects to generate revenues of approximately \$25 million over five years.

Czech Republic

The joint stock company SAZKA, a.s. executed a contract with GTECH Corporation for the purchase of its stock. Under this contract, SAZKA has acquired a 75% share in the subsidiary of GTECH Corporation, GTECH Czech Republic LLC (formerly GTECH Czech Republic Corporation). This company owns a telecommunications network and provides telecommunications services to SAZKA, in relation to the operation of lotteries and games of chance by SAZKA.

India

International Lottery and Totalizator Systems (ILTS) has signed contracts with a customer for an on-line lottery system for operation in India. Total contract value is approximately US\$15 million.

Under the contracts, ILTS will deliver a turnkey system, including central system hardware and software, and on-line terminals. ILTS will also provide services, including installation, training, and software support.

Italy

Lottomatica, an Italian Lottery, has signed an agreement to buy a 50% stake in Global Bingo Corporation SA (GBC) from Spain's Cirsa Business Corporation. GBC controls 52 bingo halls in Spain and is to open another four, as well as having an option to buy 100% stakes in Playservice, who has authorization to open 36 bingo halls in Italy.

In other news, an Italian tribunal will soon announce that will have a right to privatize Italy's Instant lottery

business. Scientific Games had initially won the bid, but GTECH challenged the ruling in court. During the bidding process, GTECH had received the highest rating in the technical/service category, but Scientific Games offered the best bid in the financial offerings category. Sci-Games offered a commission rate of 12 percent, while GTECH came in at a 17 percent commission rate.

Liechtenstein

Interspace Enterprises, owner and operator of planetlotto.com, reached an agreement with the International Lottery in Liechtenstein Foundation (ILLF), operators of pluslotto.com, to host and operate the Planetlotto lottery.

Under the terms of the agreement, ILLF will host and maintain the Planetlotto Lottery system at ILLF facilities within the licensed and regulated jurisdiction of Liechtenstein. ILLF will conduct the weekly lottery drawings, maintain draw security, and retain an independent auditor to oversee the lottery draw operations.

ILLF through its operational partner Zabadoo.com AG will provide infrastructure support, including management of all servers, telecommunications, facilities maintenance and comprehensive multi-lingual customer support for PlanetLotto customers. Interspace shall provide all marketing associated with the Planetlotto lottery, including strategic Internet, radio, billboard and media campaigns within select regions throughout the world.

Malaysia

Malaysia's Olympia Industries received a license from the eastern state of Sabah to resume its lottery operations. Diriwan Corp Sdn Bhd, a unit of Olympia, had ceased operations in 1996 after it was found they'd breached their licensing conditions. The company resumed operations October 1.

Russia

Moscow's deputy mayor, Joseph Ordjonikize, believes the number of gaming machines in Moscow will triple over the next few years. There are currently 1300 gaming halls in Moscow operating approximately 16,000 different gaming machines.

South Africa

Uthingo, operator of the South African National Lottery, has launched a new trust to aid small scale community projects in the most disadvantaged areas of the country. The Trust is separate from and additional to the National Lotteries Distribution Trust which distributes money to charities. The venture shows the company's commitment to social investment. ■

From the Publisher,



Lottery Revenues

It is encouraging to see that lottery revenues to support good causes in the United States have not been badly hurt as a result of the terrorist attacks, according to PGRI's survey reported on in this issue of Public Gaming International magazine.

Traditional state tax revenues, we are told however, are not going to fare as well due to tax losses from resulting reduced employment and reduced consumer spending. Those states dependent upon tourism are being especially hard hit, and that is about half of our states, according to one published report. As much as we would like it to be different, economic projections suggest that recovery will take a while.

What this loss of state revenue potentially means to lottery administrators is that the states may be looking, at least in part, to the lotteries to help take-up the revenue slack. Since lottery executives are always planning ahead and looking at new ways to increase revenues, responding to Administration or Legislative requests for such revenue ideas may not be difficult. But an additional thing that lotteries might consider doing at this time is to solicit more revenue ideas from the lottery suppliers and prospective suppliers. Companies will welcome the chance to possibly help.

Although no responsible company is going to be seeking to capitalize on the terrorist tragedies, every company has the responsibility to serve its customers as well as it can, even in difficult times like these.

Public Gaming's Plans

The impact on travel over the past weeks has caused us at Public Gaming to evaluate the plans for our annual meetings for 2002 to determine if we should make significant changes. In so doing, we have concluded the following: 1. We are not going to let the terrorists decide our plans; 2. At a time when lottery revenues may become even more important than usual to states, PGRI's conferences, which always focus on ways to increase revenues, may be more important than ever. So, we are sticking to our conference plans and will hope that those lotteries and suppliers who normally participate in PGRI conferences will do so again this year.

Best regards and best wishes for continued success.

Duane V. Burke
CEO & Publisher

MarketScopeSM

All lottery players are not alike!
MarketScope shows you how to **appeal**
to the different types of players!

Your lottery game appeal is **not** "one size fits all." Lottery players differ behaviorally AND attitudinally. Players have different barriers to playing, and have different motivations for playing that may affect their frequency and recency of play.

MarketVision Lottery Group's market segmentation approach, MarketScope, focuses on such characteristics to provide detailed knowledge of your distinct customer subgroups. Leverage this information to guide you in game development, finding the right product mix and tailoring your communications to each group.

MarketScope is but one of the research tools developed by MarketVision Research to help you make informed decisions. MarketVision Lottery Group has the tools for each marketing phase that can maximize your lottery's chance to win the marketing game:

- MarketScope to segment your players into marketable groups
- Feedback to hear what your players want
- GameVisionSM
- MarketTrack to track player trends

Call us or visit our website for more information—
1.800.232.4250 • <http://www.mv-research.com>



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Lottery Group

Industry News

Virginia Lottery and MDI Make History With Agreement for Properties and Promotions

The Virginia Lottery and MDI Entertainment, Inc. reached agreement on a unique three-year master contract that puts MDI's entire inventory of licensed lottery games and services under one umbrella contract.

The Lottery will have complete flexibility in choosing and scheduling games and promotions featuring the exclusive MDI licensed properties, brands, logos and icons. In addition, MDI's menu of turn-key services including dream trip and merchandise prize fulfillment and even Internet platform services for second and third chance drawings are included.

Over the life of the contract, Virginia will introduce MDI licensed property games and promotions of at least \$25 million in face value.

GTECH Signs Nine-Year Contract with the Texas Lottery Commission

GTECH has signed a new lottery operations and services contract with the Texas Lottery Commission to operate the Texas Lottery's integrated online and instant-ticket games. The nine-year facilities management contract, which commenced on October 10, 2001, followed a competitive procurement.

Under the terms of the new contract, GTECH will install and maintain a state-of-the-art retail network, servicing up to 21,000 points-of-sale. Included in the retail network, GTECH will supply the Lottery with approximately 2,500 GVT Extra terminals. The GVT Extra terminals provide a cost effective, easy-to-use integrated solution for online ticket sales and validations, as well as instant-ticket validations.

GTECH will continue to provide the Lottery with operation and maintenance of the central system, terminal installation and maintenance, communications network, marketing support, field service, and hotline services. The Company expects to generate revenues of approximately \$750 million over the nine-year contract period.

California Lottery signs on for Elvis

The California Lottery and MDI have reached agreement on what will be the largest Elvis Presley Instant Lottery promotion ever launched.

The game will include 19 million \$2 tickets, the largest to date, and will begin in January 2002 to coincide with the January 8th birthday of "The King of Rock and Roll."

During 2002 Elvis Presley Enterprises will kickoff the international observance of the 25th Anniversary and celebration of his memory. "Elvis Week" in August 2002 is

expected to generate tremendous media and fan attention.

The California promotion will feature Grand Prize Elvis Experience trips for two to Elvis Presley's Graceland in Memphis Tennessee. including round-trip airfare to Memphis, VIP Platinum tours of Graceland Mansion and attractions, and accommodations in Elvis Presley's Heartbreak Hotel with Elvis-themed luxury suites. Although details are still being finalized, the game also will include a variety of prizes from the official Elvis merchandise and memorabilia collection.

EssNet Receives Order From Israel Sports Betting Board

EssNet will deliver additional E4000 terminals to The Israel Sports Betting Board (ISBB), this will expand their network to 1320 terminals next year. ISBB's new ELOS system which is up and running since this summer, includes a central system and E4000 on-line terminals.

ISBB offers sports betting games, the most popular one being TOTO 16 with 93% of sales. The other games include Toto Plus, Toto-X 7/33, Toto Basketball, Toto Goal, Toto World and Toto Goal World.

eLOT Announces That It has Filed Chapter 11 Reorganization Petitions; Company Expects to Reorganize to Eliminate Debt

eLOT, Inc., announced that it and its subsidiary eLottery, Inc., have filed for reorganization under Chapter 11 of the Federal bankruptcy code in the U.S. Bankruptcy Court for the Southern District of New York.

The Company anticipates an early filing of a plan of reorganization and hopes the reorganization process to be complete in early 2002.

eLOT Chief Executive Officer, Ed McGuinn, stated, "We have been evaluating our alternatives since we became aware, in mid-September, of the uncertainty surrounding receipt of revenues from the FreeWorldLottery website acquired under the asset purchase and management agreements with PlasmaNet. To date we have received no revenues and it is unlikely we will receive any of the anticipated revenues from the FreeWorldLottery website. We have been discussing with the principal bondholders a restructuring of our balance sheet, which would include a conversion of debt into equity. We are also exploring the monetization or sale of our remaining assets, including eLottery. We have had constructive discussions with holders of a majority of the outstanding bonds and believe we can shortly achieve a consensual reorganization plan." ■

From My Perspective...

By Duane Burke, CEO, Public Gaming Research Institute, Inc.

Congratulations to everyone in the lottery industry for raising a lot of money to do a lot of good for a lot of people. Nobody said the job would be easy but it seems to have its share of fun and satisfaction. Congrats also to Penny and Reidar for their outstanding association leaderships and to the staffs of NASPL and the WLA for their excellent work in organizing this conference. And a special congratulations to Tom Shaheen and the New Mexico Lottery for hosting this combined NASPL and WLA event.

What Is Going Right in the Industry

The most important thing that is right about the world's government lotteries today is that they continue to be run with high integrity, and hence continue to have the confidence of the people, and continue to raise substantial amounts of money for good causes.

What Could Be Going Better

More new lottery products are needed in most jurisdictions if the lotteries are to be as effective as possible in raising money for the public good. Having seen the North American lottery industry evolve from a single product in three US states and one Canadian province to the continent-wide, multi-product dynamo that it is today has been an inspirational experience. What has been disappointing is the failure, in recent times, of many states to adopt lottery products that have been proven to be extremely successful in raising revenues in other states.

In the Olden Days

For example, after the 50 cent, bearer instrument ticket was successfully introduced in New Jersey in 1970, the other existing lottery states of New Hampshire and New York promptly followed suit with great increases in their revenues. Each subsequent new lottery for several years thereafter started with this new lottery product.

In 1974, Massachusetts introduced the instant lottery game with great success. That game was also rapidly adopted by all of the other lotteries then operating in the U.S. and Canada. Today the instant/scratch-off type game is one of the anchors of revenues for most North American lotteries. As an interesting aside, the scratch-

LET'S TAKE A QUIZ

To see if you have been paying attention

1. **Q:** What do the following lottery states have in common: NH, NJ, NY?
2. **Q:** In what lottery state was the first instant/scratch-off ticket sold?
3. **Q:** In what lottery state was the first pick-your-own-number, on-line game sold?
4. **Q:** What do these lottery states have in common: GA, IL MD MA MI, NJ, VA?
5. **Q:** What do these lottery states have in common: AZ, CO, CT, DE, DC, ID, IN, IA, KS, KY, LA, MN, MO, MT, NE, NH, NM, OR, RI, SD, WV, WI?
6. **Q:** What do all of the lottery states in questions 4 & 5 have in common?
7. **Q:** What do these lottery states have in common: CA, ME, NY, OH, PA, SC, TX, VT, WA?
8. **Q:** What do these lottery states have in common: DE, OR, RI, SD, WV?
9. **Q:** What do these lottery states have in common: AZ, CA, CO, CT, DC, FL, GA, ID, IL, IN, IA, KS, KY, LA, MN, MO, MT, NE, NH, NJ, NM, NY, OH, PA, SD, TX, VT, VA, WA, WI?
10. **Q:** Is there any point to the above questions, and if so what?

Answers on page 19.

off tickets were widely referred to as "paper slot machines" in the early days of their introduction. Controversy has always been a part of the lottery business and always will be.

In 1975 New Jersey again pioneered with the on-line games of daily numbers and on-line lotto (New York had previously introduced an off-line lotto game). And here again, because of New Jersey's great success with on-line games, every other lottery jurisdiction adopted the games as quickly as they could and with similar success.

Warp Speed Forward

Now we jump ahead to 2001, an even more enlightened age, with information and knowledge whizzing around the world at incredible, never before known speeds. A time when more is known about everything than ever before, a time when anyone with a computer can find out most anything about most everything.

But what do we find in 2001 regarding the proliferation of successful lottery games? We find lottery states which still haven't been allowed by their legislatures to join the Multi-State Lottery Association, even though its "Powerball" and predecessor game have been extremely successful since Multi-State's inception in 1988; or the failure of states to join the more recent collaboration that produce "The Big Game," which has experienced similar success.

Another example of failed proliferation of a very successful game format is the video lottery terminal, which is still only available as a lottery product in five U.S. states. A curious phenomenon with this product is that it is already widely available throughout much of the U.S. on tribal lands, where it is allowed under the host states' lottery laws, and is already widely played by the citizenry. And yet, the state legislatures for most of these lottery jurisdictions have still not approved the games for the lotteries to operate to benefit their state-specified, good causes.

On-line keno is another proven product that deserves more wide-spread application in lotteries and fills a useful niche on the entertainment side of the lottery product offerings.

Even more exciting and varied product offerings will be possible for states that utilize the Internet. But here again, such products are not yet receiving wide acceptance among lottery jurisdictions even though they are projected to be very successful, based on the success of current on-line gambling available on the Internet from overseas. With the Internet there is the additional complication of the Federal Government possibly trying to tell the states what they can and can't do with the Internet. This is as much a states-rights issue as the lotteries themselves, in my opinion (and in the opinion of most), and the Federal Government has no business being involved. And so, if the states don't act to use the Internet, states may

find themselves pre-empted by our well-meaning friends in Washington. Or, almost as bad, we may find Nevada with another long-term U.S. gaming monopoly – on the Internet – while the lotteries have to deal with yet another form of competition.

Could more be done for the common good with more money for the good causes of the lotteries? Of course. Is the risk of the lottery games leading the citizenry to hell and damnation or to financial ruin any greater today than it was 30 years ago? Not likely, for let's remember that, even though lottery games today may be more sophisticated and even more enticing to the players, we are selling our lottery games to a citizenry that is better informed, and is more prosperous and smarter than ever before.

It is time that legislators became better informed about the potential good that can come from introducing new lottery games, and it is time that they moved ahead rapidly with these successful programs as did the visionary state legislators of the past.

What Could the Lottery Associations Do to Help?

In the days when lotteries were being legalized in bunches in the U.S., Public Gaming Research Institute provided the information that helped inform legislators and facilitate expansion of both lotteries and games. Today, with the lottery associations well staffed, I think that job is better left to the associations.

If we believe that most substantial growth in individual lotteries comes from the introduction of successful, new lottery products, and if we recognize that it is usually the legislatures of lottery jurisdictions that must decide on the expansion to major new lottery products, then it makes sense to have a data bank of game revenue results available to the legislators from an independent source, such as NASPL or WLA. If readily available in suitable formats, this data might help legislators see more quickly the benefits of adding new games and hence speed their approval.

In Closing

I think that it should be clear from the foregoing that 30 years in the lottery business has left me with more questions than answers. But even so, I continue to believe in the good of state lotteries and have a continuing desire to help them grow.

Thanks for your attention and best wishes for continued success. ■

If you would care to comment on my observations or reach me for any other reason, E-mail me at duaneburke@aol.com or duaneburke@palm.net or call 425-985-3157. Also, please visit Public Gaming's new web address: www.publicgaming.org

Interview with Arch Gleason

NASPL President 2002

Public Gaming International (PGI): *What are your plans and goals for NASPL in 2002?*

Arch Gleason (AG): The NASPL Executive Committee, staff, and I will be monitoring and providing input on behalf of its members regarding Federal legislation related to Internet gaming and, hopefully, influence a favorable outcome which preserves the states' rights to regulate the use of the Internet within their borders.

We will continue the development of NASPL's primary missions of providing information, educational opportunities and optimizing services to its members.

I will be working closely with Chris Lyons, the Executive Director of the Oregon Lottery, and the NASPL Industry Technical Standards Task Force, which includes vendor and lottery representatives. The Task Force will formulate proposed methods and processes by which industry standards would be developed and ultimately adopted, as well as prioritizing specific areas for which standards should be developed.

PGI: *What are some key issues the organization will be dealing with?*

AG: As I mentioned in the last question, Internet gaming regulation may be the most important issue we deal with in the coming year. Lotteries must have the ability to use the Internet as other gaming entities do, tempered by each jurisdiction's public policy, or our industry and the stakeholders we serve could be severely damaged.

Our lotteries will also be challenged in the coming year to maintain and increase sales and dividends under increasingly more competitive circumstances and in the context of a slowing economy and the war on terrorism which, to date, has some people holding onto their discretionary income.

PGI: *In your opinion, what were some of the strong points of Penny Kyle's administration?*

AG: Penny recognized the importance of Internet gaming to our industry's future. She worked diligently to develop a strong working relationship with Rep. Goodlatte, her Congressman, and other members of Congress on this vital issue. Her effective leadership laid the groundwork for our future efforts.

Penny also realized that our NASPL membership could learn a great deal from our lottery industry brethren around the world. She did an outstanding job in developing a rapport with the WLA so that we, as NASPL members, can tap this invaluable resource.

Penny also deserves tremendous praise for her swift response and action to work with the WLA in a time of need after its Jerusalem conference was cancelled because of unrest in the Middle East. She led NASPL's initiative to coordinate the NASPL Conference with the WLA to create World Meet '01. It turned out to be a tremendous conference as we shared ideas with friends, new and old, from around the world.

PGI: *Where do you see NASPL going (beyond 2002), and how do you plan to shape that future this year?*

AG: I'm confident that NASPL and our major vendors will begin to see the benefits of the NASPL Industry Technical Standards Task Force as early as next year, and continuing forward for the next several years. I see NASPL enhancing its educational mission, building upon its various programs and services between 2002 and 2005. In addition, I believe NASPL will improve its ability to provide information to the national media, federal and state legislators to facilitate and influence public policy development on a broad scale and to assist its members to do the same on a state, provincial, and local levels.

PGI: *Do you see the Internet becoming more of a factor this year? (How, or Why not?)*

AG: Absolutely! Whether selling on-line via the Internet ever occurs is a matter of whether Federal legislation is adopted and what, if any, limitations it places on lotteries, as well as the parameters established in each state's and province's individual laws, public policies, and strategies. I expect that lotteries will continue to maximize their ability to utilize the Internet from a marketing perspective and develop e-business strategies to enhance player experiences and improve our ability to deal with lottery retailers.

PGI: *Lately, lotteries have really started thinking out of the box in terms of adding new kinds of games (i.e. Lotto South, and the new Changeplay game in Georgia), and in terms of marketing approaches (coupons, Internet second chances, three for the price of two, etc.). Do you see these "out of the box" ideas being part of a significant long-term solution?*

AG: Yes, we've got to be more creative or we'll face declining sales and dividends among our NASPL members. With the trend of faltering sales nationally and increased competition for the gaming and entertainment dollar, along

continued on page 11...

World Meet 2001 Wrap-Up



Arch Gleason, new NASPL President with wife, Annie at World Meet event.

More than 1000 delegates from lotteries around the world and supplier organizations celebrated the industry and America in Albuquerque, New Mexico, earlier this month. This was a joint meeting of the World Lottery Association and NASPL. The 100+ volunteers, also from around the world wore vests of red chiles, and everyone wore the U.S. flag. The staff of NASPL, WLA, and the New Mexico Lottery, our hosts, deserve tremendous credit for a meeting that was especially difficult to plan and organize. They did a wonderful job!

There were many moments during the World Meet program that brought tears to the eyes of the audience as we remembered the tragedy of September 11, and viewed a special film put together by the Virginia Lottery. However, none was as powerful as our own lottery pros Kari Safford, Promotions Coordinator of the West Virginia Lottery, and Sci Games Jim Kennedy performing Amazing Grace. Kari then sang America the Beautiful as the audience stood and sang along.

NASPL Regional Directors Elected:

NASPL Regional Directors and members of the Executive Committee, along with the Officers and Past President Penny Kyle, are; Region 1 – Gerald Aubin, Rhode Island; Region 2 – Linda Cloud, Texas; Region 3 – Lori Montana, Illinois; and Region 4 – Tom Shaheen, New Mexico. The National Lottery of Mexico, which has become a full member of NASPL, along with the new South Carolina Education Lottery will be included in Region 2.

Ott Brown Scholarship Winner.

The winner of the Ott Brown NASPL Scholarship is Laura McVey Stecher, who has served 20 years in the lottery industry. She started as a sales rep at the Washington State Lottery and moved up through various management positions to her current responsibility as Online Terminal Conversion Project Leader of the Virginia Lottery.

Platinums Hold a Very Full House

The Platinum Sponsors of World Meet, Scientific Games, Intralot, and GTECH held a Forum. The topic was Future Vision: The Lottery Industry in 2011. Everyone came to listen and everyone stayed till the end to hear the answers to all of the questions. It sure indicated the interest of all as to what's ahead. The Forum was moderated by Guy Simonis, Scientific Games was represented by Chairman Lorne Weil, Constantinos Antonopoulos spoke for Intralot, and the GTECH representative was Antonio Carlos Rocha.

Closing Notes on the World Meet

Past President Penny Kyle closed out her remarks at the closing banquet by passing the gavel to new NASPL President Arch Gleason with a "Bye, You All." Arch introduced himself as a recovering accountant and thanked all "for the courage and conviction to be here." Thanks, you all, to both of you. ■



ABOVE: Alan Yandow, Laura Valdez de Rojas, Penny Kyle, and Ray Bates make appearance at a World Meet event.

RIGHT: Mark Zamirippa, new First V.P. of NASPL with Linda Cloud, Regional Director of NASPL.



The Batchy Awards of World Meet '01

The Batchy awards are the Oscars of the lottery industry. Everyone sat on the edge of their seats during the ceremony.

- Print: Indoor POS, Illinois (Dick Butkus Program)
- Print: Outdoor, WSL (\$250,000 \$10 Ticket)
- Print: Color Ad, Minnesota (No Island, No Regis)
- Print: Black & White Ad, Colorado (Statesman)
- Print: Coordinated Campaign, Virginia (Lotto)
- Radio: Off-Line, Minnesota (At the Pump)
- Radio: Daily Draw, Michigan (Front Pair Payout)
- Radio: Lotto/Spiel, Delaware (Rolldown)
- Radio: Corp/Beneficiary, Wisconsin (R. Charles)
- Radio: Coordinated, WCLC (Muzak/ etc., etc.)
- Original Music: Wisconsin (Ray Charles)
- Humor/Radio: Oregon (Art)
- Humor/TV: Illinois (Window)
- Special: Georgia (Peach Tree)
- Cinematography: Oregon (Water Drop)
- Corp/Beneficiary: Georgia (Thank You)
- TV under \$25,000: Georgia (Report Card)
- TV under \$10,000: Georgia (Bank)
- Annual Report: Hoosier (Slice of the Pie)
- Employee Newsletter: Missouri (Insider)
- Retailer Newsletter: Louisiana (Exchange)
- Player Newsletter: Kansas (Kansas Winners)
- Game Show Production: Loto-Quebec
- TV Drawings: Kentucky
- Web Site Home Page: New Jersey



Buddy Roogow, MD Dir., host of NASPL '02,
June Roach Dir. SA Lotteries host of WLA
'03 and WLA Pres. Reidar Nordby.

The Evening Award Program

A bit different this year as Bob Eubanks (you remember The Newlywed Game) emceed a combined program featuring both Batchy and WLA ads.

The Batchy Winners

- TV Off-Line: Texas (Hoedown)
 - TV Daily Draw: Illinois (Lady)
 - TV Lotto/Spiel: Minnesota (Diner)
 - TV Corp/Beneficiary: Idaho (Benefits à œBusâ ?)
 - TV Coordinated: Oregon (Win for Life)
- ** There were 28 entries in this category and the runners up were Illinois, Loto-Quebec, Maryland and Ontario.

The Grand Global Gaming Awards (WLA)

WLA entries were first nominated by five DDB Needham offices and WLA delegates voted for their favorites.

The Winners

- Lotto: Norsk Tipping (Ballroom Blitz)
- Sports: Norsk Tipping (Opera)
- Instant: De Lotto The Netherlands (Lama)
- Others: As Eesti Loto Estonia (Birth)
- Lottery Profile: Virginia
- Best of the Best: Norsk Tipping, Norway

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with the aging demographic of our current lottery player bases, it will be necessary to attract new players from the adult population to both maintain and increase our sales and dividends.

PGI: *How much effort do you feel lotteries should pour into these types of ideas?*

AG: Lotteries and vendors must all put forth more effort than we have in the past. Many successful companies like 3M, IBM, Hewlett Packard, and Microsoft have strategic goals that as much as 15 to 33 percent of their revenues in any given year come from the creation and sale of new products or services. This type of philosophy fosters a culture of creativity. It's a culture we need to develop in the lottery industry if we are to continue to be a healthy and thriving industry.

PGI: *Do you see a "leveling off" period in the near future for ideas of this sort?*

AG: No, because if we're not in the search for new ideas we'll be forced to accept declining sales and dividends, which will not be acceptable to our stakeholders and sponsoring governments.

PGI: *With the addition of South Carolina into the North American Lottery family, and with the possibility of more states approving lotteries in the next few years, what are your thoughts on the importance of new lotteries being established, and what it means to established lotteries when they see a new jurisdiction develop.*

AG: From a national perspective, new lotteries strengthen the industry and provide a broader understanding of lotteries' position in the gaming industry and the public benefits derived from their efforts. Obviously, with 38 states, the District of Columbia, and the Canadian provincial lotteries, there are limited opportunities to establish new ones. What does it mean to the existing lotteries? The establishment of a new state lottery would normally be expected to have a negative impact on the established lotteries in neighboring states. However, it has generally proven over time that both the existing lotteries and the new lottery can both thrive. New lotteries, like Louisiana, Texas, Georgia, Nebraska, and New Mexico, which didn't exist ten years ago, often provide new ideas, concepts, and enthusiasm for the industry as a whole. ■

A World of New Opportunities Presented by World Meet Exhibitors

Vendors have many solutions for increasing revenues and decreasing costs.

By David Mello, Vice President of Marketing and Sales, Public Gaming Research Institute

This year's World Meet trade show in Albuquerque had something to offer every lottery organization. Need to increase revenue by reaching new consumers or maximizing sales to existing ones? How about decreasing the cost of individual transactions to improve overall profitability? Better yet, is your lottery in a position to take advantage of new technology to broaden or strengthen product distribution channels? From new games, to new ways to play old favorites, to harnessing new technology, the exhibitors from World Meet showcased many products and services that can help strengthen your lottery's bottom line.

In case you missed these companies, or could not attend the World Meet conference, here are just some of the trade show highlights straight from individual exhibitors.



Scientific Games International

A steady stream of World Meet delegates expressed considerable interest in Scientific Games' advanced line of Extrema terminals. In addition to the popular Extrema I integrated terminal, Scientific Games displayed its new modular terminal, the Extrema M. The two most recent statewide installations of the Extrema I series occurred this summer in Iowa and Maine. Both terminal types (Extrema I

and Extrema M) feature powerful PC-based architecture and a Windows-based operating system, intuitive and color touch screen interface, high-speed scanner and thermal printer, as well as fast, accurate and reliable performance.

ILTS

At World Meet, ILTS featured the complete line of Intelimark touch screen terminals. The terminal of most interest to delegates was the Intelimark SST, a player activated terminal designed to help lotteries expand penetration in targeted retail environments. The SST will accept winning tickets, vouchers, paper currency, cash cards or account cards. It can validate winning tickets and print vouchers for payment. A color touch screen displays welcoming information and prompts players through the purchasing process. Game selection and numbers may be entered through the easy-to-use color touch screen or by inserting standard play slips.



Interlott Technologies

Interlott displayed several new products at World Meet including Expandable ITVMs, Pulltab vending machines and wallmount ITVMs for international markets. All of these products drew considerable interest. The products that received the most interest however, were the new Counterpoint and Checkwriter dispensing systems. Designed to capture instant ticket sales at the point-of-purchase, they are the first to offer complete accounting and security built into the system. The successful reaction to these products was due to lotteries looking for ways to expand distribution channels for their products as well as to provide technology for its retailers that makes selling instant tickets more profitable and easier to manage.



Appleton Papers

North American lotteries are embracing new online terminal technology with thermal ticket printers, and Appleton Papers has been providing thermal paper for these new terminals since they were introduced. T889B, Appleton Papers' flagship grade, was featured in their exhibit and was designed with the higher performance standards required by North American lotteries. It combines a top coat for image resistance, a back coat to control curl and remain flat, and heat resistance to withstand the conditions on the dashboard of a closed car on a hot summer day.

Bersch Gaming's Changeplay™

World Meet marked the debut of Bersch Gaming's Changeplay™, the patented online game that sells quick-pick lottery tickets in any denomination from 25¢ to 99¢. Changeplay allows lottery retailers to capture a portion of the billions in loose change that circulates through their stores each year by "asking for the sale" during cash transactions. This unique game gives true meaning to the phrase "keep the change."

IGT

IGT showcased eight new games under the theme GAME QUEST 2002: Your Search for the Ultimate Games and Technology Ends Here. Included were a hot selection of new iGames with stunning video graphics and entertaining second screen bonuses. Tabasco, Neon Nights, and Frog Prince were the crowd favorites, and when people heard the classic song-line "Jeremiah Was A Bullfrog" on the Frog Prince game, they couldn't help but smile.

Oberthur Gaming Technologies

The Oberthur product that received the most acclaim during World Meet was their new Slingo instant game. Slingo is an excellent way to generate incremental sales from a variety of segments, including: High Rollers, Traditional Players, Internet gamers and players who like extended play games. Slingo's broad awareness in a variety of mediums including the Internet, as a hand held game and in casinos around the world is an excellent way to bring added value to the instant product.



EssNet AB

EssNet presented the E6™, their next generation on-line lottery terminal and Interactive TV betting, demonstrating how players can bet on sports events from home via digital TV. The ELOS System provides the lottery with a unique sin-

gle point of control with all player information, bets and monetary transactions stored in one system irrespective of whether the bets were made via an ordinary retailer terminal or via the Internet, mobile telephone or digital TV.



Cyberview Technology

Cyberview Technology designs, develops, manufactures and implements a complete range of patented lottery systems solutions. Their leading edge product range includes fully on-line lottery terminals with up to A4 image scanning, player activated terminals and transaction kiosks. Cyberview also supplies fully downloadable video lottery terminals and multi-purpose central server systems.



Betware, Ltd.

Betware demonstrated a user-customizable web page with several different types of games on it. From this web page visitors can play either lottery, sports or casino games. Also on display was a unique promotional game that Betware has developed for the Soccer World Cup in 2002.

Smartplay International

Smartplay introduced DrawMagic™, a computerized graphics package designed to make TV lottery draws more attractive, reliable and flexible. DrawMagic automatically generates graphics and voice and can broadcast in real time. Attendees were attracted to:

- Customized animation and graphics
- Automatic narration
- Eliminating studio production
- Adaptation to any game
- Control by one operator, of entire production, live!
- Fully automatic function
- Parameter driven flexibility, to modify look and feel of draw
- Ability to broadcast various games in immediate succession

ETI

During World Meet, ETI presented the new V3 ELITE online terminal. While the design principles from ETI's V-3000 terminal were retained, virtually every aspect of the terminal was improved, such as a high-quality 12.1" SVGA active-matrix touch-screen, a new graphic user interface with integrated help system, a high-speed



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Instants to Go

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forms scanner, and a fast and high integrity thermal printer. The V3 ELITE supports all types of online and sports betting games and instant ticket functions, and speeds up almost every element of the lottery sales process while retaining ease of use.

Comverse

Comverse's MyLotto allows lotteries to provide prospective players entry into the new and exciting world of real-time lottery gaming. MyLotto puts lotteries out in front, delivering event notifications, electronic ticket purchasing, content management and support for new games and services via a variety of client terminals. At World Meet, Comverse was pleased to present a WAP based technology demonstration of MyLotto, supporting lottery ticket sales and transactions, lottery content management, and subscriber notifications to the mobile phone. MyLotto Mobile is exceptionally useful, as an



always-on, highly portable access device for the user.

Keba

At World Meet, KEBA presented its new terminals that can be easily adapted to the specific requirements of individual lotteries, resulting in a more profitable use of lottery investments. KEBA provides a wide range of options and applications from a low-cost solution up to a high-speed sales machine.

Transnational Market Development, Inc.

Transnational Market Development, along with venture partner Clear Channel Motor Sports, received

enthusiastic response to "Gravedigger", their premier Monster Truck. Their licensing program is unique as the licensing fee is "shared risk" with Clear Channel media stations used to provide media exposure to the lottery with no additional costs.

Dynasty Design Group

Dynasty Design, a minority owned company, is the creator of "TUBEOLGY" which was invented specifically for lotteries. TUBEOLGY, a double-faced lighted sign, has the ability to change graphics in two minutes and advertise six different games at once. Nintendo selected TUBEOLGY from more than 15,000 signs to appear in their E-3 booth at Los Angeles this year. TUBEOLGY is patented.

Qlot Consulting

Qlot Consulting generated the most interest in its procurement services during World Meet. The interest came from lotteries (strategy, preparation, evaluation, testing), suppliers (strategy, RFP writing, red lining) and investors (general). Procurement services are areas of significant opportunity and concern on all fronts to many lotteries. RASP™, the Retail Advisory and Sales Proficiency Program, spurred enthusiasm and will require substantial follow-up as lotteries attempt to increase revenues in the difficult economy.

Kanzaki Specialty Papers

It was during the World Meet conference and exhibit that Kanzaki chose to launch its newest series of thermal papers, "LOTTOMAX", specifically designed for on-line lottery terminal applications. All grades within the LOTTOMAX series are designed with a top coat, back coat and meet the lottery standards by offering excellent resistance against alcohol, water, plasticizers and other harsh environmental factors.

CashCode

This year in Albuquerque, CashCode showcased the new Front Load (FL) bill validator product line for the national lottery market. Exhibition visitors were most impressed with the Smart Stick Flash memory option that significantly reduces validator downtime: by easily switching between memory sticks, upgrading currency recognition software is now incredibly simple and practically instantaneous. ■

David Mello has been working with vendors in the lottery industry for more than nine years with a principal focus on advertising, public relations and trade show management. He can be reached at davemello@earthlink.net.

September 11, 2001

Lotteries Rebound From Attacks

By Todd Koeppen

September 11, 2001. The memories of that day and the events surrounding it are permanently embedded in the hearts and minds of people all over the world. It shook the foundations of western society, threw an entire nation into shock, and has set the whole planet on the edge of its seat, waiting to see how events will unfold.

The physical, emotional, political and economic implications of that day have been so severe that nearly every facet of U.S. culture has been effected, but the people of the U.S. are not alone in their pain. Many nations had victims within the World Trade Center, many nations have felt an economic impact, and nearly every country houses citizens who've expressed some form of emotional outpouring as a result of the incident.

The Lottery Industry – Feeling the Effects

The lottery industry has seen hard times before. It has weathered some recessions without so much as a waver, but this time around was a different story altogether. In a recent poll, over 48 percent of lotteries worldwide that responded to PGI's survey reported a noticeable dip in sales immediately after the attack. These drops in sales were not only brought about by consumer decisions to not buy, and in some instances closure of retail outlets; some were brought on by lotteries canceling draws and other promotions. Others, in jurisdictions that offer sports betting games, were brought about by the cancellation of sporting events in the U.S. and several other countries.

Still, in the U.S., it seems the main cause behind the drop in sales was consumer decision. Nearly every entertainment-based industry saw sales drop as consumers chose to stay home, be with family, and watch the events unfold on the news.

The positive news is that most lotteries saw their sales climb back up to near normal levels within a week of the incidents. Less than two-percent of the respondents to our poll have reported a significant drop in sales that has continued beyond mid-October.

Lotteries reported several other trends they could relate back to the attack. Some reported a drop in employee production, several lotteries (being government agencies) closed operations immediately following the attack, and many have undergone an increased emphasis on security

and system recovery abilities. In addition to this, more than a few U.S. lotteries have found their staff members being caught up in the surge of patriotism and religion that many Americans have been exhibiting.

Some Lotteries Hit Hard

Many lotteries did see a dip in sales, but for most it was not major. In the U.S., many of the lotteries who noticed a drop in sales during that fateful week in September acknowledged that their sales had been up for this fiscal year, and even with the drop in sales they were still running higher than last year. Still, other lotteries were not so lucky – some took a substantial hit.

The **New York Lottery** lost nearly \$8 million in Lottery sales between the September 11 terrorist attack and the beginning of October. Complications included 1,600 out of 7,500 Lottery vendors in New York City unable to come online because of telecommunications problems caused by the Trade Center collapse.

In the week after the attack, the number of requests to the **Nordwestdeutsche Klassenlotterie** central service office dropped by 30 percent, and incoming ticket orders went down by 20 percent. This is due to the fact that nearly all of their tickets are sold by lottery agents via mail. Direct marketing campaigns around September 11, even in Germany, had nearly a zero response rate. Fortunately, the situation seemed to normalize around the beginning of October.

Loto-Quebec's sport betting games took quite a beating, due to the number of events that were canceled. Although many of the events were rescheduled, the Lottery pointed to the fact that many consumers have a weekly budget. They estimate their losses to total approximately \$150,000 in sales.

The **British Columbia Lottery Corporation** also experienced a major loss in their sports betting games. They lost an estimated \$500,000. Still, the Lottery believes that they will regain most of those losses as the games are rescheduled.

In an area related to sales, **SAZKA**, from the Czech Republic, experienced complications with the delivery of lottery tickets from a printing factory in Canada.

The recent terrorist attacks, along with slowing sales, and talks of layoffs in several industries around the country were

all factors in the Texas Lottery's decision to start planning for a possible decrease in sales. No plans have been made public yet.

Sales Upswing?

While it didn't generate a significant boost to overall sales, retailers in Nebraska reported a surge in popularity for the \$1 Scratch game, Liberty Loot, which had been on the market several weeks prior to September 11.

Marketing Plans Changed

One of the biggest impacts this event has had on the Lottery industry concerns how lotteries went about marketing their products immediately after the attack, and how they plan to continue their marketing efforts in the near future. Especially in the U.S., marketing departments found themselves in uncharted waters, as the magnitude of the event resulted in the quandary of having to not appear insensitive, while at the same time being careful not to appear as if trying to play upon the emotions of the people.

The Colorado Lottery pulled all advertising and drawings off air for 2 weeks, cut all public relations, and tried to keep a low profile. The Ohio Lottery reported pulling some of their more humorous ads for the short term. The New Jersey Lottery opted to delay a radio buy for an instant game by one week and canceled Pick-6 lotto jackpot awareness radio. The Washington State Lottery opted to leave a scene from their Lucky for Life television ad on the cutting room floor. The scene featured a Lucky for Life winner dressed in a suit of armor (to help ensure a long life) at the airport, confounded by the task of passing through the security metal detector. The Louisiana Lottery had to move quickly to pull a television commercial featuring a fireman bouncing around on a large rubber ball. The staff was concerned the ad might be considered in bad taste. Unfortunately, it took a few days to get it off the air.

U.S. Lotteries weren't the only jurisdictions to make changes to television spots. Golden Casket, an Australian lottery stopped its television advertisements for a period following the attack. A planned lotto draw was also not aired on television. Nordwestdeutsche Klassenlotterie sponsors a live TV-show with entertainment content several times a year. The show, originally planned for September 13, was postponed until some days later. Finally, SAZKA immediately canceled their 45th Anniversary celebration after hearing of the attack. They also suspended broadcast of a TV spot entitled "Fabulous Holiday in New York", and have taken great care with other marketing efforts due to the public's increased sensitivity.

Making Changes to Game Plans

Sticking with the marketing theme, another effect of the World Trade Center attack has to do with the entire enter-

tainment industry. Executives have been considering whether some products are appropriate to release at this time. Many Movies, CDs, video games and TV shows have been sent back to the drawing board to take care of sensitive issues. The lottery industry has not been exempt from this necessary measure.

The British Columbia Lottery Corporation stopped selling Super Battleship to their retailers as a result of the attack. Also, Cash Explosions was scheduled for launch September 24, but the decision was made not to launch the ticket at that time. It has been replaced by another game – Money Tree.

The Kentucky Lottery had planned to launch the CD-ROM game Treasure Tower on October 15. The game features a theme that could be interpreted as set in the Middle East. Although it is just a game, the KLC determined that launching Treasure Tower in the context of current events would be insensitive. Accordingly, they postponed its launch indefinitely, and began working with OGT to evaluate a delayed launch of Treasure Tower or another CD-ROM game in early 2002.

The Idaho Lottery had a Beetle Bailey ticket planned for launch in November. They changed the artwork to be a bit more upbeat, while still staying in tune with the Beetle Bailey cartoon.

Loto-Quebec has offered a Cruise in the Caribbean each year as special prize in one of their regular products. The big issue each year is to convince people that traveling by plane is safe ... so they decided to offer something else this spring.

Gambling Legislation Stalled

With good cause, Congress has, for the most part, put gambling legislation on the back burner. This has been done to focus on the immediate need to legislate in such a way to both allow our law enforcement to effectively pursue terrorist activities, and to prepare our country for future attacks.

Rep. Bob Goodlatte, R-Va had planned to unveil his latest attempt to ban Internet gambling on September 11. On September 12th he announced that he would unveil his plan on a later date. Other pieces of legislation that have been stalled due to the attacks include: the bill prohibiting betting at Nevada sports books on college games, a bill to remove automated teller machines from gambling tables, and a bill increasing the role of states in tribal gaming compacts.

The one exception has been Jim Leach's bill banning the use of credit and bank cards in Internet wagering transactions. For more on this story, see On the Internet on page 22...

The Lottery Industry Response to the Attacks

Since the attack, there's been a small minority who've criticized U.S. lotteries for not doing more for the victims. These individuals would have done well to do some research before criticizing. First of all, U.S. lotteries are bound by their state constitutions to use their proceeds for specific in-state needs. It takes time and legislation to re-designate funds. Secondly, many lotteries did stand-up and take immediate action to do what they could to help. There have been reports of lotteries taking part in blood drives, one lottery allowed staff members to volunteer time, food and shelter to help stranded tourists, some have sought approval from their Governor's office to offer games that send proceeds to the relief effort, and many have put messages of sympathy on their Web sites. In addition to these efforts, one lottery may soon be funding a campaign against terrorism.

The Idaho Lottery is hoping to offer a "Spirit of America" scratch ticket with all proceeds going to the relief effort. They are waiting to hear approval from the Governor's office.

The New Jersey Lottery placed an ad in all state-wide newspapers expressing the Lottery's Prayers and Wish. Also, they are designing an instant game that will be called "United We Stand – 9/11/01" and the proceeds will be dedicated to New Jersey Survivors Scholarship Funds. This game is tentatively scheduled to break Dec. 9, 2001.

The Nebraska Lottery posted the Stars and Stripes on its web site, as well as a resource page for those who wish to contribute to recovery efforts. Their retailer newsletter now also bears the flag, and they have addressed the tragedy in its content. Upcoming issues of their players magazine will also address the situation.

The West Virginia lottery changed their web site to include a message and to encourage players to show their patriotism by purchasing of the West Virginia Lottery game, "Veterans Cash," with proceeds directed to funding for state veterans' nursing care.

The Maryland Lottery's web site and newsletter also now contains expressions of sympathy and concern.

The Washington State Lottery has placed a remembrance on its web site, and Lottery employees have supported fund-raising efforts on behalf of the relief agencies and participated in blood drives. Also, lottery players may be allowing the Lottery's "Magic Numbers" game to help with relief efforts. The game allows players to send an additional jackpot to a Washington State charity of their choice. Recent winners have chosen to designate their funds to local chapters of the American Red Cross.

The Atlantic Lottery took advantage of a unique oppor-

tunity to help with relief efforts. Several cities in their jurisdiction – Moncton, New Brunswick; Halifax, Nova Scotia; and St. Johns and Gander Newfoundland were landing points for numerous international flights diverted to Canada due to the tragedy. Some of their employees volunteered their time, food and shelter to make the stranded travelers as comfortable as possible during their unexpected two day stay.

Finally, SAZKA was approached by the President of the Czech Association of Communication Agencies, and asked them to take part in financing a campaign against terrorism. The request is currently being considered. ■

Limited Impact for Some Lottery Suppliers

Lottery Suppliers IGT and Scientific Games both reported minimal financial impact from the World Trade Center Disaster. IGT reported slot usage falling considerably the week of the attacks, but it has rebounded to as much as 90 percent of pre-attack levels in some areas. Additionally, video lottery machine orders have proceeded as scheduled, with only one customer asking for an order to be put on hold. The company expects to meet its earning projections for the year.

Scientific Games also reported that the U.S. pari-mutuel business bounced back to normal levels after the week of the attack.

Autotote Contributes to Hero's Fund

Autotote, which owns and operates Connecticut Off-Track Betting, donated \$1 from every Breeders' Cup program sold to the Hero's Fund, a charity set up by the National Thoroughbred Racing Association to aid the families of New York firefighters, police officers, emergency personnel and other victims who perished in the terrorist attacks, September 11. In addition, with every program sold patrons received an American Flag lapel button.

"Everyone is deeply affected by this national tragedy," said Autotote President John Ponzio. "In times like these we ask ourselves what can we do as individuals to help. Every contribution, whether big or small, is meaningful and appreciated. This is our way to give our patrons an opportunity to contribute to the Hero's Fund."

Autotote raised \$2,660 from its employees, which it then donated to AmeriCare, a Connecticut based organization that will disperse the funds to the survivors of the World Trade Center tragedy.

New Ticket Dispensers Sure to Boost Sales

With Interlott unveiling a new ITVM, and Take-A-Ticket introducing a new Instant Ticket Dispenser this summer, we thought it might be nice to see what some of the lotteries are using for Instant ticket dispensing, and how their units are performing.

Public Gaming International (PGI): *Does your lottery use ITVMs, and what is the retail criteria for housing such a unit? Also, what sizes of units are in use?*

Kentucky Lottery (KY): Yes, we use ITVMs. They are primarily used in supermarkets, hi-volume border stores, and retail outlets with customer service counters and/or security issues. We use 4-, 8-, and 12-game ITVMs.

Maryland Lottery (MD): Yes. We have 4-, 8-, 12-, and 16-game units, and just ordered 20-game units. We use them anywhere we feel we can get positive sales – but we pick the location in the store.

PGI: *Did your lottery see a change in Instant sales after implementing ITVMs?*

KY: Sales for scratch-offs increased. We implemented the placement in 1992, shortly after the Lottery began.

MD: Sales are on the rise. For the second quarter, 2001, total instant sales were up 27 percent. Agents with ITVMs were up 40 percent.

Instant Ticket Dispensers

PGI: *What is your Lotteries retail criteria for housing instant ticket dispensers? What sizes of units are in use?*

Louisiana Lottery: We prefer placement of the dispensers to be at the front of the retailers counter, near the register. We use 4-inch and 6-inch mini modular dispensers. We do not provide in-counter dispensers.

Kansas Lottery: We use single dispensers, 12- and 16-unit in-counters, and pole mount singles that fit over displays or terminals.

Michigan Lottery (MI): The retail criteria has to do with location and availability. We use 4-inch and 6-inch dual dispensers.

Connecticut Lottery: We use instant ticket dispensers at virtually all retail locations. Criteria guiding the use of dispensers is tied to sales or potential sales, as well as the retailers planned use of counter and wall space for other goods. We encourage the use of dispensers by providing, at no charge to the retailer, several types of dispenser units.

In addition we subsidize the purchase of larger dispensers via our Co-op program, and offer our retailers the option to use points earned for selling select Instant – points that can be applied towards the purchase of the more elaborate units.

Sizes of our dispensers range from Triples (three single dispensers attached) up to 36-bin units.

KY: We have no special requirements, and use various sizes – single units up to units that hold 36 games.

PGI: *Which dispensers appear to be the most effective – in-counter or counter-top?*

MI: We use a mix of both, but the most effective are counter-top.

MD: We use both. Counter-top always does better.

KY: We use both, but counter-top units are more effective. ■



TAT President, Cal Tigner leans on the Lottery Plus.

Take-A-Ticket (TAT) recently introduced "The Lottery Plus," a giant Instant ticket dispensing unit that can easily hold 40 games – even more if needed. The unit was built in response to customer requests for larger units that hold more games while not sacrificing counter space.

TAT really delivered with this unit. With games on display above as well as on both sides, coupled with an extremely small footprint, "The Lottery Plus" seems built specifically to satisfy the saying, "the more ticket facings you have, the more tickets you will sell."

One concern TAT wanted to alleviate was possible concern from retailers that the unit, being as tall as it is, might not be sturdy enough to withstand all the bumping on-counter units have to absorb. Retailers needn't worry. The picture of TAT President Cal Tigner leaning against the unit shows how sturdy it is. This unit stands up to pressure.

In addition to "The Lottery Plus," TAT also came out with another unit brought on by customer request. The unit holds up to 36 games, and is smaller and sturdier than a number of comparable, stackable dispensers.

Interlott Discusses Ticket Dispensing Trends

Public Gaming International (PGI) recently sat down with Interlott Technologies to discuss the latest trends in ticket dispensing technology.

PGI: *What new products is Interlott offering lotteries to help them succeed in today's competitive retail environment?*

Interlott: We have developed several new products that provide lotteries with the opportunity to expand their presence in retail locations. For example, Counterpoint can be placed at customer service and checkout counters presenting an attractive and secure dispensing system for instant tickets. We have also developed new ITVMs and other instant ticket dispensing systems, such as Checkwriter, for grocery store checkout lanes.

PGI: *What unique features do these new machines have, and how will lotteries and retailers benefit?*

Interlott: Counterpoint is the first system designed with automated dispensing and accounting. Unlike the counter systems that require the retailer to separate and track each ticket manually, Counterpoint separates tickets inside the machine before dispensing. Other unique features include a comprehensive accounting system that tracks sales by clerk, a high security locking system and the ability to connect to a central computer. Checkwriter includes all of the same features and is small enough to conveniently fit in a grocery checkout lane.

PGI: *Is there anything new with your line of standalone ITVMs?*

Interlott: Yes, our latest series of ITVMs, the Expandable Dispensing System (EDS) can accommodate up to 24 different games and can be upgraded in the field. For example, a machine originally designed for 16 games can be upgraded to 20 or 24 in the retail location. The EDS series also features electronic price displays, backlit signage and Interlott's latest dispensing technology, the mini-burster. A new wallmount ITVM is also available for placement in locations that may have limited space such as convenience stores and bars in the United States and many retail locations overseas. Interlott ITVMs can also be connected to a central computer for sales tracking.

Interlott's New Compact Wallmount ITVM

PGI: *How about pulltabs? What role can vending machines play in the sale of pulltabs?*

Interlott: The pulltab market is definitely something that many states are exploring. Kentucky, Iowa and Missouri are the top 3 states selling pulltabs and all have vending machines. The Kentucky Lottery recently decided to expand its pulltab vending machine population and states considering pulltabs realize that vending machines are vital to a

successful program. Without vending it is very difficult to track sales and account for pulltab inventory.

PGI: *What does Interlott see in the future for the dispensing of instant tickets?*

Interlott: Instant tickets are still the leading product for most lotteries. ITVMs will continue to play an important role in sales as lotteries continue to increase the number of games available in ITVMs. The Illinois Lottery recently placed 24 game EDS machines, and several states have ordered 16 and 20 bin machines. Additionally, achieving secondary placements within retailer locations will most likely require dispensing systems like Counterpoint and Checkwriter, as retailers are more open to selling tickets if they have a secure system that is not labor intensive. Finally, many lotteries have indicated a desire to have ITVMs connected to a central computer for measuring sales. By using the ITVM data, lotteries can identify which games perform better than others and learn more about customer purchasing patterns. ■



Interlott's New Compact Wallmount ITVM

From My Perspective

Answers from Let's Take a Quiz on page 7.

1. A: These states were the first three lottery states in the U.S. in modern times.
2. A: Massachusetts.
3. A: New Jersey.
4. A: All BIG GAME member states.
5. A: All POWER BALL member states.
6. A: All are participants in large jackpot (\$100 million or more), multi-jurisdictional lottery games.
7. A: None of these states are participants in large jackpot, multi-jurisdictional games.
8. A: These are the states that have video lottery.
9. A: These are the states that don't have video lottery.
10. A: Yes, read the rest of the article. (On page 7.)

Close Call for U.S. Internet Gambling Hopefuls

The online gaming industry nearly got derailed this October in the midst of a panel on anti-terrorism legislation. The House Financial Services Committee voted 62-1 to pass an anti-terrorism bill aimed at blocking potential money laundering opportunities, including restrictions on Internet gambling. If the bill had been made into law, credit cards, ATMs, and EFTs would have been banned from use on Internet gambling sites.

While no one has been able to offer any evidence that terrorists have used Internet gambling sites for money laundering, the government did supply an investigator and witnesses who said that unregulated offshore gambling sites can be exploited by terrorists.

Still, there was opposition in the panel stating that the connection between Internet gambling and terrorism was too weak, and some felt adding the Internet gambling restrictions would slow the bill. One House member offered an amendment to delete the Internet gambling restrictions from the money laundering bill, but the committee voted it down 37-25.

Finally, House members met with Senate members to discuss legislation that was developing in each branch. At that point, legislators decided to detach the money-laundering portion of the bill, taking online gaming off the hook. While the money-laundering bill will still be considered, it became apparent that many in Congress are not in favor of prohibiting on-line gaming. At one point in the debate, one member of Congress reminded the others that it's usually not the policy of the U.S. government to tell its people how to spend their money.

Tattersall's Given OK to Sell Tickets Online

Tattersall's, an Australian lottery, received approval from the Victorian Casino and Gaming Authority (VCGA) to offer its lottery products for sale on the Internet via its web-site – tattersalls.com.au. The approval of Tattersall's systems by the VCGA follows a decision by the Federal Government earlier this year to exempt the online sale and purchase of lottery tickets from its broader ban on Internet gambling. The move was hailed as significant for the thousands of Australians who live in remote or rural locations, are disabled, or are simply too busy to visit an agency."

UK Gaming Review Initiates New Industry Body for Internet Gambling

A new trade association has been formed to represent the interests of the on-line gambling and betting industry. The Interactive Gambling, Gaming and Betting

Association (IGGBA) is open to UK registered organizations who have interests in games suitable for distribution via interactive channels.

The aims of IGGBA are to represent the trade, particularly in the formation of regulation, at the same time as seeking to provide reassurance to playing customers of the trustworthiness of IGGBA members.

A key feature of IGGBA's remit is the provision of a disputes arbitration service. Should a dispute arise between a player and an IGGBA member the association will convene a formal hearing and come to a decision binding on both parties. .

Harley Web Site Promotion Hugely Successful

The Oregon lottery had over 70,000 entries in its Harley Davidson second chance drawing on its oregonlottery.com site. The top prize in the second chance drawing was a Harley Davidson Sportster 1200 Custom Motorcycle.

To be eligible to win, a person had to register on the Lottery's web site by providing a non-winning Harley Davidson Scratch-it ticket number. Also, the player had to be at least 18 years old, and an Oregon resident.

Got2Bet Launches Largest Chinese Gambling Portal

Got2Bet launched its much-awaited Chinese-language gaming portal at chinese.got2bet.com.

Ted Loh, managing director of Orientgaming.com, an Asian-oriented gambling consultancy which manages both portals, said that Got2Bet was the first step towards reaching the world's largest gambling market.

"With the online gambling industry reaching its peak, and the English-language market beginning to tighten up, we decided it was a prime opportunity to open up a new market for current casino operators and reach a population of well-known gamblers," said Loh.

The Chinese-language gambling portal has also reached an agreement to provide content to Sina.com, the largest and most popular Chinese portal on the Net.

Orientgaming.com is also planning to launch Japanese and Korean language gambling portals in order to satisfy Asia's need for online gambling news and information.

Novamedia Partners With EFI

Earth Future Lottery (EFI), the Internet lottery from Prince Edward Island, has a new financial partner – Novamedia, the largest charitable lottery in the Netherlands. Still, there are many questioning the legality of the operation, and operations are still subject to a ruling from the Supreme Court of Canada. ■

Circles of Learning

Return to Atlanta

SMART-Tech, Public Gaming Research Institute's annual conference that brings the smartest and most innovative people in the lottery industry together to exchange successful ideas, is returning to Atlanta in February, 2002. From February 3-5, PGRI will be teaming-up with the Georgia Lottery at the Ritz Carlton Atlanta Hotel to, once again, bring the Circles of Learning to lottery professionals.

The SMART-Tech 2002 program is designed to be an educational resource, and to develop a solution partnership between lotteries and suppliers. The conference is known to be a mix of hard facts, open discussion and a realistic look to the future, all with an emphasis on sales, marketing, and retailing trends and technologies.

Rebecca Paul, director of the Georgia Lottery stated, "Anytime you have an opportunity to bring peers together across an industry it's a good thing. SMART-Tech provides an excellent environment for lottery professionals to come together and share."

As always, SMART-Tech will feature speakers that represent the best and the brightest in lottery knowledge and

experience. From global issues of competition to new games and the new technologies to sell them, SMART-Tech speakers will represent everyone.

SMART-Ideas

As it has in the past, one of the highlights of this year's SMART-Tech conference is sure to be the SMART-Ideas awards, where the industry honors ideas and the people who have them. The awards highlight the creativity of lotteries, suppliers, and their staffs.

Categories include the person, lottery, or supplier with the most effective cost-saving idea; the person, lottery, or supplier with the best revenue enhancing idea; and the person, lottery, or supplier using a product, technology or service that led to revenue generation, savings, and/or better service. PGRI will recognize first and second place awards in all categories in the Lottery Sector and the Supplier Sector. The actual dollar amount generated by the idea is not as important as the originality of the idea and its effectiveness. ■

PGRI 2002 Conferences

SMART-Tech 2002

Co-Host: Georgia Lottery
February 3-5, 2002
Ritz Carlton Hotel
Atlanta, Georgia USA

ILAC Congress 2002

Co-Host: National
Lottery of Mexico
April 6-8, 2002
Hilton Cancun & Golf Club
Cancun, Mexico

International Lottery Expo 2002

Co-Host: Florida Lottery
August 1-3, 2002
Loews Miami Beach Hotel
Miami Beach, Florida USA

For more information on PGRI conferences, please contact Elsie Grote.

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Where Are They Now?

By Sharon Sharp

Since 1964, 244 Lottery Director positions have been filled in North America. In some instances by the same individual in multiple posts. In last month's Public Gaming International, we looked back on Directors from Arizona through Idaho. Now we continue our feature that looks back on former directors...

Illinois Lottery:

Seven Directors for Illinois since 1973. The first, the famous Ralph Batch. Rich Carlson went to another position in Illinois government. Michael Jones went on to become a lottery consultant and works with IGWB. Rebecca Paul went on to startup Florida. I went on to consulting (of course) then California. Desiree Rogers went on to become an executive with People's Gas.

Iowa Lottery:

Since 1985. One Director.

Kansas Lottery:

Startup 1987. Six Directors. The first, Larry Montgomery, went on to MultiMedia Entertainment. Ralph Decker went on to be Director of the Arizona Lottery. Paul Louderman went on staff positions in Colorado, Arizona and Virginia, and is presently with an advertising agency in Colorado. Greg Ziemak as mentioned, went on to eLOT.

Kentucky Lottery Corporation:

Four Directors since startup in 1989. The first, Frank Keener, went back to the private side, banking, I believe. Lottery vet Jim Hosker went to GTECH to run the Texas operation and has since retired – at least semi.

Loto-Quebec:

Only five since 1970. Staying in the industry were Jean-Marc LaFaille, going on to GTECH, and David Clark headed to the United Kingdom.

Louisiana Lottery:

Three Directors since 1991. Start up Director Michael Carr went on to Pollard Banknote, is an elected official in Michigan and spends some time in Arizona. Bonnie Fussell is with Sunshine Electronic Display and still playing piano at lottery gatherings.

Maine Lottery:

Seven Directors since 1974. Remember Wally Soule and David Campbell?

Maryland Lottery:

Six Directors since 1973, some names we remember are Stanley Fine (practices law), Martin Punche, William Rochford and Lloyd Jones.

Massachusetts Lottery:

Seven Directors since 1972, including Jim Hosker who went on to become CEO in Kentucky after seven years in Massachusetts. Tom O'Heir, went on to Autotote, Eric Turner went back to banking in Boston, Sam DePhillippo started a lottery consulting business, and Beth Lindstrom heads a free Lotto site on the Internet.

Michigan Lottery:

Seven Directors since 1972. One of the early ones, Jim Culver, went on to Scientific Games. He's now retired, but we still read his lottery column. When Mike Carr left Michigan he went on to launch the Louisiana Lottery. Bill Martin was picked to run the Michigan Bureau of Prisons, and most recently, Don Gilmer was snatched by the Governor to become Michigan's Budget Chief.

Minnesota Lottery:

Since 1989. One Director.

Missouri Lottery:

Three Directors since 1985. Startup Director Jim Holmes still works in the industry, including internationally. I ran into Mike Morris a few years ago. He's still interested in lotteries and in the communications business.

Montana Lottery

Six Directors since startup in 1986. Startup Director Diana Dowling is an attorney in Montana. Chuck Brooke went on to become the Director of the State's Department of Commerce and then to an executive position with AWI. Zoann Atwood went to the Texas Lottery and is now with Oberthur. Charmaine Murphy moved to Connecticut, and is raising her family. ■

To be continued...

A Good News Correction: A correction from last months *Where Are They Now*. Former California Director, Del Pierce is alive and doing very well, and is still living in California.

South Carolina Awards Contract to Erwin-Penland

The South Carolina Lottery Commission has selected Erwin-Penland Inc. from a field of eight of the state's top marketing agencies to handle the introduction and ongoing promotion of the new South Carolina Education Lottery.

Erwin-Penland was one of three finalists that presented its plan on Sept. 14 to a panel of experts, which scored each presentation and delivered its findings to the South Carolina Lottery Commission. Commission members received those results, with Erwin-Penland receiving the highest score, on Sept. 17 and unanimously voted to begin negotiations with the Greenville-based agency.

Erwin-Penland will be responsible for developing a brand identity for the new lottery, including a logo. The firm will also create radio, print and television ads, point-of-purchase materials and a host of other promotional items, along with grassroots and consumer education programs.

Kansas Lawmakers Seek Redirection of Lottery Profits

Some democratic lawmakers in Kansas are trying to change the way Kansas spends the money generated by the Lottery. Last session, House Democrats introduced a bill to take a proposed \$1.2 million increase in the Kansas Lottery's advertising budget and use it to establish a forgivable loan program for approximately 400 college students pursuing teaching degrees. While the bill was heartily defeated in the Legislature, the democrats are planning to present their idea again in the 2002 session.

Missouri Lottery Wins Award for Financial Reporting The

Missouri Lottery's Accounting Program was recognized for the high quality of its annual financial reports by the Government Finance Officers' Association (GFOA) of the United States and Canada. The staff received a Certificate of Achievement for Excellence in Financial Reporting, as well as an Award of Financial Reporting Achievement.

New Hampshire, Kentucky Get Boost from Powerball

The lottery industry is still feeling the effects of fallout from the recent Powerball run. This time, it's the New Hampshire Lottery and the Kentucky Lottery reporting large boosts in revenue.

In New Hampshire, more than \$13 million in Powerball sales helped boost revenue to \$4.1 million above expectations. The August 25 drawing alone will send an estimated \$4 million to education. Kentucky reported its highest-ever sales in the first quarter of fiscal 2002 – \$175.3 million for the three-month period. The previous record was \$159.6 million

in the first quarter of FY 1999. The Lottery also achieved sales records for an individual week (the week of 8/25) and day.

New Jersey Lottery Recognizes Sales Team

The New Jersey Lottery has recognized members of its Sales Representatives for increasing sales among local lottery retailers. During a recent promotion, sales representatives were divided into teams of four and charged with the challenge of increasing ticket sales of their respective retailers by assisting and encouraging the promotion of the Lottery through point-of-sale materials and other marketing tools. The employees were presented with the awards during a recent meeting of the New Jersey State Lottery Commission.

Oregon Lottery Finances Telephone Counseling

Oregon Lottery proceeds are now being used to finance counseling for problem gamblers via the telephone. The program provides participants a minimum of four scheduled sessions over a six-week period. The telephone counseling is not designed for individuals who suffer a severe problem.

An estimated 30,000 adult Oregonians can be classified as problem gamblers, but only 700 are currently seeking treatment.

Pennsylvania Updates Enterprise Management System

Lapis Software Associates, LLC announced today that it has entered into an agreement with the Pennsylvania Lottery to implement an updated Enterprise Management System. The new system is scheduled to enter service during 2002 replacing IT applications currently in use by the Lottery.

Robert Mars, Executive Director of the Pennsylvania Lottery commented, "The new system will enable us to provide our users with a flexible, modern system, capable of delivering the business functionality needed to increase productivity, and adapt to future needs."

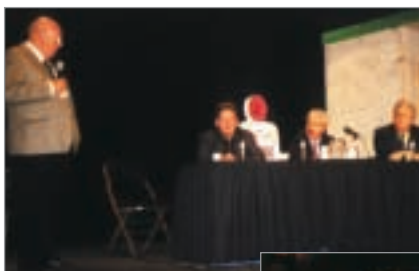
Interprovincial Lottery Corporation Authorizes Lotto 6/49 Bonus Draw

The Interprovincial Lottery Corporation has authorized the introduction of Lotto 6/49 Bonus Draws to be funded through the unclaimed prize fund. Each lottery jurisdiction will be able to choose the name of the bonus draw, the prize denominations and the prize description.

The first bonus series will run for five Lotto 6/49 draw dates in October. For each of the five draw dates, ILC will conduct 10 additional draws of six numbers (no bonus) to win a 2002 BMW 325i or cash option of \$50,000. Players must match all six of six bonus numbers to their regular Lotto 6/49 numbers – there are no subsidiary prizes. This is the first time that merchandise prizes have been offered in conjunction with Lotto 6/49 draws. ■

World Meet 2001

Snapshots



Arizona

The Arizona Lottery's newest economic development Instant, "Where's Willie?" went on sale in October. The \$2 game features the Lottery's prospector mascot, "Windfall Willie," seen in six Arizona Main Street communities that have received Lottery funding through the Economic Development Fund.

The Main Street Program's goal is to attract new business, jobs and private investment to rural towns by improving the physical appearance of their downtown areas.

Connecticut

The Connecticut Lottery's Mobile Marketing season, which stopped at dozens of summer events became part of the Lottery's new television branding campaign. Footage was filmed at a fair where Mobile Marketing participated. The spot, highlighting ways Connecticut residents have fun, is backed by Louis Prima's version of the "When You're Smiling."

Earlier this year, the CT Lottery celebrated 25 years of Scratch ticket sales with old-fashioned bamboo backscratchers. The immense popularity of the backscratchers given out at baseball games and festivals proved to be the Lottery's hottest give-away item this season.

The "NETWORK 3000" retailer recruitment program implemented last summer translated into 35 new lottery licensed locations, and 102 businesses pending in the process. Lottery employees received incentives for suggesting possible retailer locations.

Delaware

This month the Delaware Lottery is introducing a campaign to support matrix changes to the On-Line game, LOTTO. Changes to LOTTO include a new, higher \$250,000 starting jackpot. The campaign theme, "We made it bigger and better," has been developed to communicate the LOTTO game changes to players. Heavy broadcast media, outdoor advertising and point of sale materials will be used to support the campaign.

In addition, the Lottery will be conducting a promotion with a local daily newspaper. The newspaper will display a lucky number in several small space ads and on its Web site. Players can send in any non-winning LOTTO ticket that has the lucky number on it for a chance to receive twenty-five Lottery dollars.

Idaho

In celebration of Veterans, the Idaho Lottery is launching the "Beetle Bailey" game early in November. This is a \$1 scratch game with a portion of the cartoon licensing fees going to the "Idaho State Veteran's Cemetery." The state of Idaho currently does not have a State Veteran's cemetery; however, land has been donated overlooking the Boise valley.

Illinois

From July 16 through September 24, Lottery retailers participated in a special incentive program. Each week, Lottery

retailers meeting certain sales criteria were automatically entered into a special drawing to win \$1,000. When the grand prize drawing was held one retailer was awarded a Harley-Davidson Sportster 1200 custom motorcycle

Kansas

The Kansas Lottery is the first in the world to offer a new type of pull-tab game. Sale of the \$1 Kansas slots game began October 16, with Lucky Break to follow soon.

These new pull tabs are player and retailer pleasers. They sport the highest payout of any Kansas Lottery game, the odds of winning are better, and prizes don't have to be claimed on the day of sale.

Retailers welcome the new pull tabs because they are easy to sell and track. Each pack and ticket are individually numbered and bar-coded, and each ticket has a UPC code. Consignment, activation and settlement are handled on the lottery terminal.

Massachusetts

The Massachusetts Lottery wrapped up its summer tour with a live remote drawing at The Big E, the state's largest agricultural fair. Four live drawings were held at remote locations during the summer in different regions.

On September 25th, the Massachusetts Lottery held a special bonus drawing at Lottery headquarters for the \$5 million Holiday instant game. Ten finalists, who had each won \$2 million initially, were invited to participate in a drawing to win an additional \$3 million.

The Lottery is currently developing plans for the launch of a second Clean Fun Sweepstakes at the end of the year. The Clean Fun Sweepstakes, launched as a pilot anti-litter program last spring, allows players to submit \$10 in non-winning instant tickets for a chance to win up to \$100,000. The pilot program, which ran for about three months, resulted in the recycling of 82 tons of non-winning instant tickets!

Michigan

On November 12, 2001, the Michigan Lottery will begin airing two television commercials featuring a variety of Big Game winners from Michigan who have won either jackpot or \$150,000 second-tier prizes.

From September 3 through September 29, 2001 the Michigan Lottery offered the "Back Pair Payout" promotion to its Daily 4 game players. Daily 4 players received a \$10 prize when their \$1 straight bet matched the last two numbers drawn. The Lottery paid out more than \$640,000 in additional Daily 4 prizes due to this promotion.

On November 8, the Michigan Lottery is introducing its first-ever \$20 instant game ticket – "\$2,000,000 Holiday." The game features a \$2 million top prize and the overall odds are 1 in 2.37.

Minnesota

The Minnesota Lottery's \$10 MONOPOLY bonus pack went on sale on Oct. 30. Each pack contains three MONOPOLY Scratch Game tickets with a top prize of \$50,000, and a special MONOPOLY contest entry form. Twenty players will win a prize package worth up to \$4,000.

The Lottery will launch the \$1 Beetle Bailey Scratch Game on Nov. 6, and is working with the Minnesota Department of Veterans Affairs to raise money to build a memorial to honor Minnesota World War II veterans. Mort Walker, the creator of Beetle Bailey, will be in the Twin Cities on Nov. 8 to promote this effort.

Missouri

Pick 3 players have twice as many chances to get to Luckytown with the Missouri Lottery's new "Pick 3 Bonus Numbers" promotion. During the promotion, an additional ball will be drawn from six white balls and one orange ball. If a white ball is drawn, it will be held out of the next drawing. If the orange ball is drawn, the Lottery will draw a bonus set of Pick 3 numbers giving players a second chance to win. The orange bonus ball is guaranteed to be drawn at least four times during the promotion.

Also, the stakes are high in the Lottery's new "Safari Survival" Scratchers game that offers players 16 chances to win up to \$100,000 or one of 25 vouchers for \$2,000 in travel and \$500 cash, complete with taxes paid.

Nebraska

The Nebraska Lottery's Lotto game recently received a face-lift. Drawings are now held on Monday, Wednesday and Saturday (instead of Tuesday, Thursday and Friday), the matrix was changed to a 5/38, from a 5/35, and now the jackpot begins at \$50,000 and grows each time it is not won.

New Jersey

Legendary recording artist Ray Charles has again joined the New Jersey Lottery to support the Lottery's new advertising slogan "For Every Dream There's a Jackpot." Mr. Charles and the Lottery recently recorded several television and radio commercials for the continuation of the branding campaign. To unveil the partnership the Lottery introduced the "For Every Dream, There's a Jackpot" Instant Ticket Game, featuring a graphic of Ray Charles seated at a piano.

New York

The New York State Lottery will be making someone's Broadway dreams come true. In November the Lottery will be holding the final auditions for their "Win Your Broadway Debut in 42nd Street" second chance contest. Entrants simply had to mail in any non-winning New York Lottery ticket.

Forty-two participants were selected from each of seven regions in the state, and each of these individuals got the chance to participate in regional auditions. From each regional

audition, two participants were selected for final auditions in New York City, and from these, one will be selected to visit the set of 42nd Street, and will have the chance to participate as a non-speaking, non-singing, non-dancing extra in the production of the show. In addition to this opportunity, the winner receives round-trip transportation (Amtrak), a two-night stay for four people at the Hilton Times Square Hotel, dinner for four, four orchestra show tickets, and \$500 spending money.

Ontario

In November, the OLCG is launching THE 70's GAME, a new \$3.00 Instant ticket offering a top prize of \$70,000. The game is designed to have a nostalgic attraction to older, established lottery players while also reflecting a cool, retro look that appeals to the 18-24 market. In addition, the ticket features a 'Just for Fun' 70's Trivia section.

OLGC has introduced responsible gaming tag messages to be included on all products as well as advertising. The message for lotteries is: "It's just a game. Play responsibly."

Oregon

A new promotion provided Oregon Lottery Keno players with an opportunity to win a trip to Belize, The Keno Un-Belize-able Caribbean Getaway. To enter, players must purchase a Keno 4-spot ticket for at least five drawings in a row.

The Lottery also extended its hours of selling and validation of Lottery products to 2:30 am – an hour-and-a-half extension. The Lottery cited trends indicating significant sales and validations between midnight and 1am, and expects these sales and validations to continue past 1am.

South Carolina

"Big Fun, Bright Futures" is the slogan the South Carolina Lottery will be slinging until the start of the year. Instead of pitching gigantic jackpots, the TV, radio and billboard ads will present the Lottery as wholesome entertainment benefiting a good cause, up until the January 7 start-up date.

Virginia

His name is Rufus. He's a farmer, and he's looking all over a field overgrown with kudzu, but he can't find what he's searching for. Rufus is the star of a new set of ten-second Virginia Lottery spots. His search is part of the Virginia Lottery's inauguration of Lotto South. So, just what is Rufus searching for in those ten-second spots? Stay tuned. It could bring him luck.

Washington

The Washington State Lottery collected new children's books for Page Ahead at a recent Seahawks game. For each book donated, the Lottery gave a \$1 Scratch ticket. In addition, the first 500 book donors over 18 years of age received a \$2 Lucky for Life coupon redeemable at participating retailers. ■

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