December 2001

Public Gaming INTERNATIONAL



2001: THE YEAR IN REVIEW

HOLIDAY INSTANTS

LOTTERIES ON THE INTERNET: THE NEXT STEP

Until now the best lottery terminals came from ILTS.



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.

The message is clear. ILTS makes incredibly reliable terminals that are built to last.

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.

The Intelimark's powerful microprocessor and advanced modular design provide a flexible platform that can be configured

to meet the lottery's exact needs. The large color touch screen and patented, custom-tailored graphical user interface reduce the number of steps in selling and guide the operator through all essential functions.

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



The advantage of teamwork!



Public Gaming

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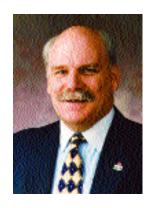
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NASPL REPORT by Arch Gleason, NASPL President



The Holiday Season is usually a time when many of us reflect on the past year, personally as well as professionally. It's a time to review accomplishments, count blessings, and lament places we've come up short. It's also a time to make plans for upcoming legislative sessions, new product launches, and marketing strategies for the upcoming year.

In the wake of September 11 we all have plenty to reflect upon this Holiday Season. The safety and security of our families. The heroic acts of the police and fire departments in New York City and Northern Virginia/Washington, DC. The bravery demonstrated by the people on planes hijacked by the terrorists. The tireless efforts of the investigating agencies and countless security personnel. The determination and fearlessness of the military. The resolve of the citizens to unite behind the common cause of defeating terrorism.

A renewed appreciation for our allies and friends around the world who are supporting our efforts to preserve freedom and eradicate terrorism.

This is also a time to reflect on the affects of current events on our industry. Many lotteries saw a moderate sales drop in the weeks immediately after the September 11 attacks, but sales did begin to bounce back as consumer confidence rebounded. While sales performance has been somewhat lackluster for many of us, it is approximately in line with seasonal sales from the previous year but below expectations. Obviously, this makes our challenges for the remainder of the year more difficult as we all work hard to achieve our dividend goals to pay for the variety of good causes our efforts support.

To further complicate matters several lotteries, including Kentucky, have had to rethink marketing campaigns and product launches that might be considered insensitive in the context of current events. Many of us have found the need to shift our focus, to some degree, from sales and marketing to issues related to security and business continuity. Among other things, we've found ourselves developing new procedures for receiving and

distributing mail. Information technology and information security functions have realized the need to review the ways we protect our systems. Many of us have had to review or develop business continuity plans. In our case at the Kentucky Lottery, plans for a Computer Emergency Response Team have been accelerated.

There's no question, plenty of challenges lie ahead as many of us prepare for the coming new year. Most of our governments face difficult budget situations as our respective legislative sessions get set to begin. That means we will be asked to produce more revenue than ever before. In some cases legislative bodies will consider expanding the games we can offer, as was the case last Spring in West Virginia and more recently in New York. In other cases we'll be asked to do it with existing product lines that have matured and reached their point of saturation in the marketplace.

While the challenges are great I know that our NASPL members will rally to meet them. Certainly, we'll be calling on one another to share ideas and provide support. That's what makes the NASPL family great! We're all here to help one another. That's certainly one blessing I'll be counting as the old year comes to an end and a new one begins.

So, Happy Holidays to everyone! Enjoy the season, and keep working hard to achieve the mission and vision that your citizens have entrusted to you.

ack Gleason

IN THIS GAME,

TEAM PK

AWI's commitment to standardsbased technologies requires building partnerships with great companies. We call it teamwork.

That's why AWI picks only those business partners who can deliver the highest quality, most innovative and fully integrated softwarehardware solutions in the world.

Teammates like **IBM** who bring to the game their industry leading RS/6000™ hardware and AIX™ operating systems. Contenders like the **IBM WebSphere** Application Server, which links lottery technology to the Internet.

Players like \mathbf{Oracle}^{TM} who can step up and deliver vital information day after day with the \mathbf{Oracle}^{TM} database and Discoverer query tools.

And pro-performers such as **Wincor Nixdorf** that produce powerful touch-screen retail terminals that are true champions in engineering and design.

With stars like these we have a team that is ready to play and knows how to win.



Around the World

Europe

This autumn, the IGT-Europe office in Hoofddorp, The Netherlands hosted eight Euro Readiness Seminars for customers from across Europe. The list of over 100 participants included Technicians and Managers alike, all with one thing in common - A need to be ready for the upcoming conversion to the new Euro currency scheduled for January 2002.

Topics on the discussion schedule included a brief Euro history lesson plus detailed information on each countries' coins and notes with heavy emphasis on security features.

IGT's, Edwin van der Putte and Jos Schmitz provided detailed explanations of necessary hardware and firmware changes, highlighted by a two-hour handson session. Managers and Techs were all given an ARDAC IBA2 bill acceptor and upgrade kit complete with everything they'll need to make the conversion to IBA4, which accepts all Euro Notes.

Chile

Intralot has been awarded a seven year contract for supporting on-line the numerical, instant and traditional games of Polla Chilena (the state owned lottery organization of Chile). The contract also includes the launch of new generation games and video lottery, as well as the use of hand held terminals and the expansion of the system for games offered via the Internet, mobile telephony and other alternative sales channels.

Intralot's software platform "Lotos" shall be integrated, while for the optimum cost efficiency of the sales network, "Coronis" and "Atris" terminals will be installed at high and low sales POS respectively. Intralot has established a new subsidiary company in Chile, "Intralot de Chile" which has undertaken the implementation of this project.

Czech Republic

SAZKA, a.s. has implemented a new, integrated system - SAP R/3. Financial modules and the personnel management module were gradually implemented. After a successful upgrade and stabilization of the system, logistics modules began being implemented, involving special software for activities dealing with games and lotteries. The time-proven network of on line terminals used to accept bets constitutes the backbone of the system. The above logistics systems will become more important still in the future since SAZKA, a.s. intends presently to launch the so-called validation system in its instant lotteries.

Over a long-time horizon SAZKA, a.s. envisages implementation of additional modules. The SAP R/3 system assists in revealing internal reserves, improves the management of product portfolio according to

contributions of individual products to company's earnings, and reduces overhead. It also makes possible further increases in productivity.

Estonia

Eesti Loto total sales for the first nine months 2001 amounted to 97.7 million kroons. This number indicates a more than 14% increase to the same period last year. The total of the prizes paid was 49.5 million kroons, which indicates a 15% increase over the same period last year.

Greece

The new instant ticket "MEGA XYSTO" which launched in September from Instant Lottery S.A., continues the success of last year's holiday game. The players have the opportunity to win instantly up to 50 million GDR, and also to participate in three televised draws for more than two-million Euro.

Indonesia

Oberthur Gaming Technologies-Australia (OGT) has been awarded a contract for the start-up of a new Instant Lottery in Indonesia. The contract will involve the supply of Instant Tickets, Marketing Support, PC Validation and Distribution Software to Century United Corporation.

Scheduled to launch on December 5, 2001, Oberthur will install the Validation and Distribution System into a number of Post Offices that will distribute tickets to selling agents and validate winning tickets. The first order is for 12 million tickets.

Italy

Scientific Games confirmed that the Italian court considering GTECH's protests of the Italian instant ticket contract being awarded to Scientific Games has ruled in favor of the consortium led by Lottomatica and Scientific Games. As soon as the Monopoli di Stato ratifies the award, Scientific Games will immediately begin to execute the contract that includes the printing of instant tickets, supplying 10,000 SciScan validation terminals and a new central system, along with a full complement of Cooperative Services.

The contract could generate \$20 million in annual revenues, once the lottery is fully operational, and another \$20 million in central system and terminal sales plus a share in the consortium profits. The selection is subject to formal written notification and the negotiation of a formal contract.

The final details of the consortium agreement are in the process of being finalized. The award has a term of six years with six one-year renewals and should commence in April 2002.

Industry News

South Carolina Picks Scientific Games

Scientific Games is the apparent winner of a contract to run the S.C. lottery's numbers games. Sci-Games has already won the contract to produce, distribute and manage the lottery's instant scratch-off tickets.

Details of Scientific Games' bid were not available, but the contract will be worth several million dollars per year.

EssNet signs Internet supply contract with Lotterie-Treuhandgesellschaft mbH Hessen

EssNet has signed a contract with Lotterie-Treuhandgesellschaft mbH Hessen (LTG), Germany, to provide ELOS e-Channels for gaming via the Internet. It is LTG's intention to offer its players increased services, not only by offering a more efficient Internet site than today, but also by putting the player in focus. All bets will be stored in the player's personal account at the lottery – no matter if they are made via an agent terminal, games subscription or the Internet. The contract includes installation of a full Internet solution, including payment services.

With the experience LTG has collected through their current web site, they had specific requirements on their Internet solution: high security, real-time payment through German banks, games currently offered, including instant ticket games, games open 24 hours, seven days a week, one personal player account to view own bets from all channels together with financial situation.

"We selected EssNet's Internet solution because it puts the player in focus. With a player card, the player will automatically be included in our player scheme, no matter what sales channel the bets come through", says Gunter Liebaug, Managing Director of Lotterie-Treuhandgesellschaft mbH Hessen.

Oberthur Awarded Contract Extension in Idaho

The Idaho Lottery has awarded Oberthur Gaming Technologies (OGT) a 1-year extension contract beginning October 1, 2001. The Idaho Lottery has had a partnership with Oberthur for over 12 years, and it has resulted in an average increase instant sales in of 22.8% since 1994.

South Carolina Awards Purchase Order to Schafer Systems

The South Carolina Lottery has awarded a purchase order for point of purchase displays to Schafer Systems Inc., which includes 15,000 Dual Snap together 6" ticket dispensers along with 10,000 Dual Security Doors and 6,500 8" Snap Top Plate Stands. Schafer Systems will deliver these instant ticket dispensers to the Lottery beginning November 15th, 2001 to allow them to launch their first games in January, 2002. These dispensers will be mounted on the stands and placed on top of the check out counters of multiple South Carolina retail stores.











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2001 Lottery Highlights North America

It was an exciting year for North American Lotteries. Let's review some of the highlights on a jurisdictional basis.

Arizona

- Enhanced its "Pick 3" game with features including two games for \$1.
- Revoked the retailer license of PowerPick.
- Led North American Lotteries in on-line 5-digit sales growth.
- Launched their newest economic development Instant "Where's Willie?"

British Columbia

- Selected Scientific Games to replace its aging lottery central gaming system with new technology
- Launched the World's first Hollywood themed Instant featuring the Hollywood Sign and Walk of Fame.
- Partnered with SplashDot to launch their Oddset Action Contest, encouraging contestants to play a Sports Action Oddset game against other online contestants.
- Ordered 230 STAN terminals from Scientific Games.

California

- Launched additions to their web site, including a feature allowing any surfer to find out how much money was distributed to any school district in California.
- Complimented their SuperLOTTO Plus with an Xtra Reward program, making players eligible for a \$50,000 prize.
- Had the highest grossing Lotto program of any North American Lottery.
- Launched the largest ever Elvis Presley Instant Lottery promotion.

Colorado

- Introduced its first \$10 Scratch ticket, Holiday Riches. The game features a \$250,000 top prize and more chances to win than any Scratch game offered by the Colorado Lottery
- Joined Powerball, and began selling its first multi-state game by introducing the Powerball TV Show Instant.
- Set an all-time record in Scratch sales for Fiscal Year 2001. Sales totaled more than \$249 million. The previous record was \$234 million set in Fiscal Year 1999.
- Added two additional drawings to Cash 5 bringing the total number of drawings to six nights a week. These drawings helped push Cash 5 sales near \$17 million for Fiscal Year 2001.

Connecticut

- Jim Vance named President and CEO on March 30
- Retailers began earning a 1% commission each time they

- cashed winning drawing and scratch game tickets up to \$599.
- Ted Manno, outgoing vice president of sales and marketing, was recognized for his lifetime of achievement as a Powers Award 2001 recipient.
- The Network 3000 Retailer Recruitment program netted 35 new Retailers, and more than 100 applications pending.
- Following development of a nine-minute Retailer Training Video about Problem Gambling, formal training sessions with retailers have begun.
- Lottery staff planned and implemented a two-day off-site Lottery training program attended by all employees.
- Greenwich officials were granted a suspension of sales for a 24-hour period at the height of the \$295 million Powerball jackpot run in August. It was the first time that Powerball sales were suspended at a municipality's request.

D.C.

- Estimated D.C. Lottery revenues reached \$226 million resulting in a transfer of nearly \$84 million dollars to the General Fund of the District of Columbia.
- In February of 2001, overall sales since the D.C. Lottery's inception in August of 1982 surpassed \$1 billion dollars. Beneficiaries received approximately \$63 million while D.C. Lottery players received \$1.5 billion in prizes.
- Charitable Games Department licensed more than 100 raffles, Monte Carlo night and Bingo events in FY 2001.

Delaware

- Introduced a branding campaign (Go Scratch!) for the Instant Games product line.
- Introduced Power Play for the Powerball game.
- Introduced the \$5 Fastracks Instant Games featuring popular NASCAR drivers and an all expense paid trip for two to the 2001 or 2002 NASCAR race of the winners' choice. Public relations events with Jeff Burton supported the game.
- Introduced the \$1 Delaware State Fair (prizes included free weekday admission to the fair) and \$2 Dakota Quad Cab (top prize fully equipped 2001 Dodge Dakota Quad Cab truck) Instant Games. Conducted public relations events with Daimler Chrysler, the Delaware State Fair and Governor Ruth Ann Minner.
- Conducted live events at local bars to promote the Instant Games product line. Instant Game tickets and T-shirts were given away for correct answers to Delaware Lottery trivia questions.
- Introduced the \$5 ELVIS Instant Game. Elvis impersonators supported the Game.

- Introduced play slips for the PLAY 3 and PLAY 4 daily numbers games. An "Easy as" campaign supported the new slips.
- Introduced the Delaware Lottery's first \$10 Instant Game, HOLIDAY MAGIC.
- Introduced a LOTTO Campaign to support game changes to the current LOTTO game.

Florida

- Launched a new window to the World, located at flalotter.com/. the overhaul of their web presence was a process based on player email, usage patterns, and other webrelated feedback.
- Completed (with AWI) the implementation of a new online gaming system. The system includes new software and terminals for all Florida on-line retailers.
- Extended the Florida Lotto Advance Play option from 26 to 52 draws.
- · Lifetime transfers to the Educational Enhancement Trust Fund reached \$11 billion.
- Net sales for Instants reached an all-time high of \$639.2 million, beating the old record by nearly \$23 million.
- Launched an improved version of Fantasy 5. The matrix changed from 5/26 to 5/36, and a new prize structure was created. Sales increased by 57% since the changes.
- Continued game promotions with companies like Harley-Davidson, Carnival Cruise Lines, and Universal Orlando.

Georgia

- · Introduced its newest on-line lotto-style game, Lotto South. Kentucky and Virginia also participate.
- Set a record for the highest fiscal year proceeds transferred in its history - over \$691 million! Since inception the GLC has raised more than \$4.7 billion for specific lottery-funded educational programs.
- Celebrated its highest Instant ticket sales week (\$24,333,878) since opening week sales in 1993.

Idaho

- Kicked off Idaho Lottery Spring Fling, giving retailers ideas on how to increase their sales.
- Used "Lottery Link" to emphasize the importance of different price points in achieving maximum dollars.
- Launched a promotion making players who buy a \$5 Powerball ticket eligible to win a Jeep Wrangler.
- Launched a Beetle Bailey game in celebration of Veterans.

Illinois

- Launched Road Trip, an Instant that allowed twelve players to tour the state in a new SUV and gave away 180 Illinois vacation prizes, in conjunction with Illinois Tourism.
- · Launched its Harley-Davidson Instant game with festivities including a hog-calling contest.
- Kicked off a retailer incentive program allowing retailers who meet sales criteria to be entered into a drawing for \$1000.

Indiana

- Second-Chance SPAM Drawing with MDI netted nearly 12,000 Internet entries out of the 35,000 that were received for the original drawing.
- Added a second drawing to its Daily 3 and Daily 4 games.

Iowa

- Deployed 430 new Interlott ITVMs, upgrading from eight games to a mix of eight, twelve and sixteen game units.
- Switched on a new on-line gaming system provided by SGI featuring PC architecture, touch screen full-service terminals, and a mid-range SciScan terminal for low volume on-line applications,
- Implemented the first-phase of their Baldridge quality program; an interactive database tool for tracking public inquiries, suggestions and (should they ever get one) complaints.
- Players bought nearly \$11.7 million in tickets during the week of the \$295 million Powerball jackpot - more than \$3 million higher than the previous record. The Lottery transferred a record \$11.5 million in profits to the state for the month of August.
- Saw tremendous response to the "It's A Gas" promotion, offering five grand prizes of \$1,300 in ethanol certificates - enough to buy \$25 in fuel each week for a year.

Kansas

- Sponsored the new Kansas Speedway racing complex in Kansas City, Kansas.
- · Hosted 182 winners and their guests at race weekends in July and September.
- 10-day stay at the Kansas State Fair culminated in a second-chance drawing for a limited-edition Ford Bullitt Mustang, which the winner claimed at the September 29 NASCAR Busch Grand National race.
- Legislature extended the Lottery until 2008.
- Made history when it launched the Kansas Slots pull tab the first barcoded, perforated, variable-image pull tab. Sales remain at more than \$150,000 a week.
- Spanish edition of its Guide to All Games debuted in October.
- Began collaborating with other Kansas Problem Gambling Coalition members to produce an older adults and gambling brochure, educational articles in Lottery newsletters and HelpLine clings for Lottery equipment.

Kentucky

- Set a record in FY 2001 with \$591 million in sales.
- Established a first quarter record with \$175.3 million in sales for the first three months of FY '02, smashing the old record by \$16 million.
- Established a record week with nearly \$34 million in sales during the fourth week of August.
- Introduced Lotto South, Kentucky Cash Ball, and Elvis and NASCAR scratch-offs tied to Internet promotions.
- Won several major awards during the year, including a sev-

enth consecutive GFOA Award for financial reporting, a Public Gaming Smart-Tech first place award for Cost Savings, a NASPL Batchy Award for Best Televised Drawings, a fourth consecutive Governor's Affirmative Action Award, and a Gold Designation from the Business and Family Partnership for being a Family Friendly Employer.

Louisiana

- Broke ground for its new corporate office. The \$6 million project is financed from retained earnings and includes the purchase of a ticket distribution center the Lottery had been leasing. The building is expected to be ready by summer of 2002.
- First \$10 Instant was launched. The successful pouchstyle ticket was brought back in the Fall.
- Registered its sixth Powerball jackpot winner in six years.
- Won the Government Finance Officers Association award for excellence in financial reporting for the third straight year.
- A "Beetle Bailey" Instant was launched at the National D-Day Museum in New Orleans. Cartoonist Mort Walker and his wife were on hand while Oberthur Gaming Technologies presented the museum with a donation of \$2,500. The museum also accepted military memorabilia that belonged to the father of New Orleans regional manager Mike Allen. His father was among the first six African-American marines to be named a Marine drill instructor.
- Launched its "retailer optimization program," where lottery customer service representatives use geographicbased and demographic information to help retailers increase sales of all products.
- Marked its 10th anniversary with the re-issue of its original scratch-off ticket, "Louisiana Treasures."

Maine

 Launched a new system from Scientific Games. Includes new central communications and computer systems, and terminals designed to run on a Windows/PC based platform.

Maryland

- Set new records for the third consecutive year by generating more than \$1.2 billion in revenues.
- Retailers were rewarded by receiving \$68.5 million in commissions while players received over \$680 million in prizes, exceeding last year's total by \$22 million.
- The State's General Fund, which provides dollars for education, health care and other services, received \$407 million.
- Statewide awareness of the Lottery was heightened by the Lottery's award-winning "2001: A Cash Odyssey" scratchoff ticket promotion. The campaign's "out of this world", nostalgia-themed \$10 ticket offered players instant fun as well as televised second chance drawings. This promotion translated into record sales.

Massachusetts

Launched the hugely successful Clean Fun Sweepstakes,

- an anti-litter campaign allowing any ten non-winning tickets to be exchanged for a second chance entry. Tens of millions of tickets were returned.
- Once again was the North American sales leader for Instants.
- Was the second highest grossing Lottery in North America.

Michigan

- Player won a \$107 million Big Game jackpot prize.
- Introduced the new Michigan Millions game, which replaced the 16-year-old Michigan Lotto game.
- Set a new record for largest in-state jackpot won by a single ticket holder, the first Michigan Millions jackpot winner claimed her \$40 million prize.
- Introduced "\$2,000,000 Holiday" the Lottery's first-ever \$20 instant ticket.

Minnesota

- Launched the Battleship Scratch Game, the first game to offer a two-person play style.
- Player split the \$295 million Powerball jackpot. A record 10 tickets sold in Minnesota won prizes worth \$100,000.
- Launched the Monopoly Scratch Game \$10 bonus pack. One week later, the \$3 MONOPOLY Scratch Game was introduced.
- The Lottery and Department of Veterans Affairs announced a joint fundraising effort to build a Minnesota World War II Veterans Memorial.

Missouri

- Celebrated 15th anniversary with "15 Winning Years" and "Anniversary Celebration," along with a Web-based promotion for a chance to win Scratchers or a calendar. The Lottery also increased its "Fun & Fortune" game show's top prize to \$250,000.
- Launched the American Muscle promotion giving Pick 3 and Pick 4 players a chance to win 2001 Ford Mustangs, big-screen TVs, cash and radio/CD players.
- Introduced Power Play in March.
- Added video streams of its draw shows and game show highlights on its Web site.
- Implemented a new toll-free hotline for the "Fun & Fortune" game show.
- Kicked off its "Lost in Luckytown" promotion, where players collect game pieces from three Scratchers games and affixed them to a game board.
- Ended its fiscal year on June 30 with record proceeds to education of \$156.9 million.
- Gave away thousands in cash at the Missouri State fair.
 One lucky fairgoer won a 2001 Ford Explorer Sport Trac.
- Set a new Powerball sales record with sales of 21.1 million dollars.
- A Pick 3 Bonus Numbers promotion began in October giving players a second chance to win a prize in Pick 3.

Montana

Gerald J. LaChere was re-appointed as Director of the Lottery.

Nebraska

• Gave their Lotto game a face-lift. Drawings are now held on Monday, Wednesday and Friday, and the matrix was changed to 5/38 from a 5/35. The jackpot now begins at \$50,000.

New Hampshire

Began emailing winning numbers to players.

New Jersey

- Introduced a number of special game promotions in 2001 designed to increase game awareness and create more winners and additional prizes. During the year players were treated to free tickets, cash bonuses, and two chances to win on one ticket.
- Launched the nation's most comprehensive website designed specifically for Lottery retailers. Retailers can now access individual sales figures, receive instructions for ordering instant tickets and read about current game promotions. The site provides a link to the Retailer Services Department, so they can ask questions with the click of a mouse.

New Mexico

- Captured first prize in the POS Advertising Category at the PGRI Qe Awards.
- Celebrated its 5th Anniversary.
- Joined the "Powerball: The Game Show" program.

New York

- Filled four civil service, on-air positions in the drawing unit to refresh the look of the agency.
- State approved one of the largest gaming extensions in history, allowing VLTs, more casinos, and giving the nod to join Powerball.
- Was the highest grossing Lottery in North America. Also had the second-highest overall sales growth.
- Changed its Lotto game to feature 2 games for \$1, and added a new prize structure.
- Lost nearly \$8 million in sales following a telecommunications problem caused by the September 11th Terrorist Attacks.

Ohio

- Reestablished their Retailer Town Hall meetings. These meetings are intended to keep Ohio retailers informed of Lottery plans and strategies, but also allows a forum to hear issues retailers may have.
- · Reestablishing its Agent Advisory Board, a useful and critical forum for retailers that has been successful in the past.
- Begun producing a new Retailer publication, Ticket Seller.
- Legislature lifted the Lottery's mandatory requirement to transfer at least 30 percent of sales to education. This has allowed higher payouts.
- Initiated a new advertising campaign: "Odds Are, You'll Have Fun," featuring Leslie Nielson.

- Installed more than 9,200 state-of-the-art Altura terminals. These terminals use PC-based technology, allowing faster growth and development of games, as well as providing the Lottery with new promotional opportunities.
- Created a new department to develop interesting and exciting promotions for on-line and instant games.

Ontario

- Developed a website for players at olgclotteries.ca, and a corporate site at olgc.ca.
- Celebrated the first anniversary of the merger of the Lottery and the Ontario Casino Corporation creating the OLGC.
- Introduced an advance play feature allowing purchases of up to 10 draws in advance for all OLGC on-line games (excluding Sports Lotteries).
- Included responsible gaming message on all lottery tickets.
- Celebrated 10th Anniversary of Canada's first \$5 INSTANT game, Ontario Instant Millions, with a Bonus Edition.
- Lotto 6/49 began offering bonus draws featuring vehicles as prizes.
- Launched a one year pilot project, The Link, a province wide bingo game offering a lower price point and a higher payout than Superstar Bingo. It also features a live caller.
- Sales on track to surpass \$2 billion for the 7th consecutive year.

Oregon

- Held a Harley-Davidson second chance promotion on its web site that had over 70,000 entries!
- Made major enhancements to Megabucks: added a Monday drawing, changed the matrix from 6/44 to 6/48 and added new prize levels.
- A second Oregon problem gambling study showed that rates declined since 1997 from 3.3% to 2.3%, a 33% reduction in problem gambling in just 3 years.
- Set record for FY sales with \$784 million, which enabled them to exceed transfer forecasts by over \$18 million while also setting aside the funds needed for new video lottery terminals.
- Launched a new on-line game "Win For Life," which has outpaced sales projections.

Pennsylvania

- Won two second place awards at PGRI's SMART-Tech Conference. One came in the Revenue Enhancing Category for their On-line Promotion Program, which set a goal of having 100 on-line promotions being conducted at any given time. The other came in the New Product Category for a web-mercial that promoted the Holiday Tickets as Gifts.
- Launched its third Harley Davidson Promotion.

Quebec

- Launched an ad campaign aimed at moderation in Lottery playing.
- Began forming plans to retire 1,000 VLTs from public places.

• Released "31 jours de chance" a \$20 limited edition Instant. It's like buying 32 tickets in one.

Rhode Island

- Increased the production frequency of "The Back Lot".
- · Debuted Keno Plus.
- Instituted Daily Numbers Days, a two-hour promotion at retailer locations promoting their Daily Numbers Game.
- Co-hosted PGRI's International Lottery Expo 2001.
- Won First Place in PGRI's Qe Awards for both the Online and Instant Advertising Categories.
- Offered a new Retailer Incentive program, awarding retailers who boost sales by 10 percent an additional 25 percent commission.
- Was the highest grossing Lottery per capita for FY01.

South Dakota

- Signed on for MDI's SPAM Instant game.
- Promoted Dakota Cash with a promotion doubling all prizes, except the jackpot.
- Launched the Guitar Town instant, which gave away onehundred Fender Stratocaster guitars.
- Recorded record revenues in FY01.
- Was the second-highest grossing lottery per capita for FY01.

Texas

- Replaced Texas Million with Texas Two Step.
- Celebrated the 1000th drawing of Cash5.
- Successfully endured a firewall breaching hacker assault.
 No internal systems were affected, and the lottery's integrity was not diminished.
- Led North American lotteries in on-line 4-digit sales growth.
- Launched PlayerConnect, a new Internet service allowing players to register to have winning numbers and information on promotions emailed to them.
- Signed a nine-year facilities management contract with GTECH.

Virginia

- Won second place in the PGRI SMART-Ideas Cost Savings Category for their idea, Fast Productions – Locally Grown idea, which brought all advertising productions in-house.
- Brought live lottery drawings back to Television screens.
- Kicked off its first-ever NASCAR Winston Cup promotion.
- Sponsored the Lotto Virginia Chevrolet Monte Carlo at Virginia NASCAR Races.
- Joined Kentucky and Georgia in Jaunching Lotto South.
- Invested in new, faster on-line terminals for retailers.

Washington

- Named Robert Benson, Jr., acting director after the retirement of Merrit Long.
- Survived a 6.8 magnitude earthquake with minimal damage.
- Kicked off Lotto Million Air Miles, a promo allowing play-

- ers who purchase a \$5 Lotto ticket to be eligible to win a million Delta SkyMiles.
- Legislature redirected all lottery profits toward education programs.

West Virginia

- Fiscal sales totaled nearly \$597 million, an increase of more than 33 percent over FY00. For the 12th consecutive year, sales grew in double digits when compared to the previous year.
- Led North American lotteries in the percentage of sales increased for the 2001 fiscal year. It was the third time in four years the Lottery ranked first for percentage of growth.
- Video Lottery activity totaling approximately \$438 million reflected a growth of 54 percent.
- Passage of the Limited Video Lottery Act made illegal all "gray area" video machines and allows for them to be replaced with 9000 state-controlled video lottery terminals.
- Awarded the prestigious Comprehensive Annual Financial Report for the fourth consecutive year.
- Celebrated its 15th anniversary with the "15 Grand Years" Instant.
- Launched an Elvis Instant.
- Introduced Powerball's "PowerPlay" option, as well as the Powerball: The Game Show Instant.
- A "Veterans' Cash" instant represents the only instant lottery tickets mandated by special legislation allocating profits to a nursing facility for veterans.

Wisconsin

- Megabucks established a new jackpot record of \$20.3 million and a new Megabucks sales record. The Megabucks and Powerball jackpots helped the Lottery finish the first quarter of its fiscal year 35% ahead of last year's sales pace.
- Launched "Pharaoh's Gold", the Wisconsin Lottery's first \$3 instant ticket, successfully paving the way for additional \$3 instants.
- Followed up "Experience Wisconsin" with "Experience Wisconsin 2." The series of five tickets depicts various tourist travel destinations around the state.
- Launched a \$1 "Beetle Bailey" game at a special event at the Wisconsin Veteran's Museum that included a donation to the Museum's foundation. "Beetle" creator Mort Walker was in attendance.
- Established a formal partnership with the Wisconsin Council on Problem Gambling (WCPG), providing \$250,000 per year to fund WCPG operations. The WCPG's help-line number is now printed on all larger size instant tickets and the lottery website includes a link to the WCPG's site.
- Provided more on-line sales opportunities for Wisconsin Lottery retailers through the placement of 100 GVT-Extra on-line dial-up machines.

2001 Highlights International

Eesti Loto (Estonia)

- Celebrated its 30th anniversary.
- Won the first International recognition of an Eesti Loto Ad spot at the WLA World Meet '01 in Albuquerque.
- Aired the 300th drawing of the most popular number lottery in Estonia – Bingo Loto.
- Made games available to Estonian players via the Internet.

Generalitat de Catalunya (Spain)

 Approved regulation of the casinos, and decided which games are allowed in the venues.

Loterie Romande (Switzerland)

- Launched a new instant lottery "PODIUM".
- Launched Expo, a ticket referring to Expo '02, an event which will take place in 2002 in the Suisse romande (French speaking part of Switzerland).
- Planning to launch a high end ticket (100 CHF) in 2002.
- Will launch Mozaïc at the end of the year.

National Lottery of Belgium

- Subscriptions to 6/42 Lotto and Joker, with direct debit payment of the stakes.
- Introduced thematic, short term instant ticket lotteries.
- Colores, instant ticket lottery linked with a TV show.
- Super Fun, instant ticket lottery with which one can win \$25,000 a year, for the rest of one's life.
- Conversion of all game and administration software, price and prize structure into the Euro.
- The Belgian Lottery is the only lottery that doesn't interrupt its multi-draw system during the conversion period.

Nordwestdeutsche Klassenlotterie (Germany)

- The launch of their Internet Lottery, called "nkl-cyberlottery" was a marketing success, allowing the top weekly prize to be increased by approximately \$50.
- NKL had to deal with the conversion to the Euro.

ONCE (National Organization of the Spanish Blind)

- Doubled the maximum prize group of Cuponazo up to 500 million pesetas (sales increase: 3.7%).
- Conducted studies to maximize Euro.
- Implementation of a new tele-return system, to allow the current 22,900 blind or disabled retailers to return their coupons not sold from their homes.
- Two special draws with sales of 16.745 million pesetas.

PLUS Lotto (Liechtenstein)

Increased its weekly jackpot prize from 2 million to 20

- million Swiss Francs.
- · Began offering US Dollar version with a weekly jackpot of U.S.\$20,000,000.
- Started offering white-label versions of PLUS Lotto to branders who wanted to make the games their own.

SAZKA, a.s. (Czech Republic)

- · Reconciled arbitration with on-line vendor GTECH; the two companies have agreed on future co-operation and extended the contract until 2004.
- At the 1st Congress of the European State Lotteries and Toto ASsociation (EL), Mr. Ale Huák, General Manager of SAZKA, a.s. was elected 1st Vice President of EL.
- Opened its web page, tipovani.cz.
- Launched double bets in its odds-betting game Sazka Select (the possibility to place so-called "no-loss" bets).
- Invested in a multipurpose sports hall in Prague, earmarked for the World Ice Hockey Championship 2004.
- Celebrated its 45th anniversary.

Sport-Toto-Gesellschaft (Switzerland) Swiss Lotto

- Finished the implementation of its new touch-screen terminal game system.
- Conducted extensive training program for sales personnel who use the new system.
- Launched the game Extra-Joker,.

Süddeutsche Klassenlotterie (SKL) (Germany)

 For the first time ever, SKL players could play three games at the same time. The trio consisted of the traditional "Millionenspiel", "Euro-Joker", and SKL-Auto-Joker". The combination allows for mega prizes, hourly and daily prizes, and more.

Svenska Spel (Sweden)

- Had another record-breaking year with total sales up more than 10%, mainly due to the big success from the VLT games.
- Completed the final installations of the maximum number of 7,500 VLTs – 57% more than last year.
- The launch of a new multi-bet game made the bookmaking game Oddset grow by 16%.
- Opened its first casino in northern Sundsvall to be followed by the second one in southern Malmö in December.
- · Now offers 8 games on the Internet.

Szerencsejáték Rt. (Hungary)

- Celebrated it's 10th Anniversary by launching an Extra online 5/90 lottery game.
- Launched the new on-line number game "LUXOR."

2001 Highlights Vendors

Scientific Games International

This was a most impressive year for Scientific Games, as contract awards cut across the spectrum of the company's diverse mix of products and services. Among the calendar 2001 highlights:

- New multi-year contract to provide Monopoli di Stato with instant tickets, 10,000 SciScan validation terminals, a new central system and a full complement of Cooperative Services.
- Announced an award to provide 8,000 AEGIS terminals to the Ontario Lottery.
- New on-line, instant ticket and Cooperative Services contract with the South Carolina Lottery.
- New instant ticket contracts with Norsk Tipping, Ohio and Hoosier Lotteries.
- Simultaneous launch of two new lottery systems in Maine and Iowa. Conversions included introduction of new technology and terminals to retailers in both jurisdictions.
- New instant ticket and Cooperative Services contracts with the Delaware and Missouri lotteries.
- Order for 230 STAN self-service on-line terminals and software from the BCLC.
- New contract with Jamaica Lottery to supply 750 Extrema terminals, an AEGIS on-line lottery system and support services.

Take-A-Ticket

2001 was a very good year at TAT. There was no sign of an economic slowdown in any of their products, but they pointed out that the events of 9/11 tempered any excitement they have over success with lottery dispensers.

They introduced a number of new dispensers and redesigned some of their old ones to meet the needs of the lotteries and the retailers. Retailers wanted to regain some of the footprint for "impulse" items which was lost to on-counter lottery dispensers. TAT will be marketing these dispensers plus units capable of showing #36 or more games on the counter.

Editec

2001 is proving to be yet another year of success and growth for Editec. Turnover is on target once again, and shows a significant increase over the previous year, with gains being made in all product areas. Highlights include:

- The launch of WinTV the drawing systems division of Editec.
- Large number of Venus drawing machines delivered throughout the globe (from the Czech and Slovak Republics, through Hungary, Russia and South America to, most notably China).
 In all, over 30 machines have been successfully delivered.
- New Lottery Systems contracts being finalized in Ghana, Lithuania, Nizhniy Novgorod in Russia, South America and the UK. Additional TPM 3000 terminals have been sup-

plied to MolodSport Lotto in the Ukraine, LONATO in Togo and an all-new open architecture PC based TPM 4000 terminal was launched at the World Meet in Albuquerque. Unique and innovative solutions and supporting gaming software for combined real-time and non-real-time lottery operations in Africa and Europe diversified the products mix offered by the company.

- ITVMs supplied into La Francaise des Jeux, while test installations are being evaluated in other European markets.
- Internet sport-betting site was developed and delivered for a Middle East customer.

Interlott Technologies

- Delivered 1,500 Expandable Dispensing System (EDS) ITVMs to the Massachusetts Lottery and 435 to the Iowa Lottery – the first states to utilize the new product line. Acquired all lottery assets of On-Point Technology Systems, including patents, contracts and technology.
- Awarded a contract with the California Lottery to provide ITVMs and related services
- Interlott 24 game ITVMs were ordered and deployed by the Illinois Lottery. The first state to incorporate 24 game machines into their ITVM mix.
- Introduced its new CounterPoint and Checkwriter dispensing systems designed for capturing instant ticket purchases at the point-of-sale while increasing security and accountability. The first CounterPoint machines were deployed by the Maryland Lottery.
- Unveiled its compact wall-mount ITVM designed for the European market.
- Received an order from the Kentucky Lottery for 300 additional pulltab vending machines expanding the Lottery's program to 850 Interlott pulltab machines.

Appleton Papers

Appleton Papers is riding the momentum as North American lotteries adopt thermal printing for online terminals. Appleton is the leading supplier of thermal paper for the new technology. T889B, Appleton's flagship thermal online ticket grade, has been well received. It combines a topcoat for image durability, a back coat to control curl, and heat resistance to remain readable if left on the dashboard of a hot car in the summer time. T889B meets the more rigorous requirements of North American lotteries.

Bersch Gaming

2001 marked the official introduction of Bersch Gaming's new Changeplay game, the patented online game that lets consumers use their change from any purchase to buy

quick-pick lottery tickets. Georgia will be the first U.S. lottery to launch the Changeplay game, with a planned start date of February 2002. The game had its international debut at World Meet 2001.

Spielo Gaming International

- Contracted with the ALC to supply over 400 on-line terminals and replacement VLTs for their Newfoundland market.
- Went "live" with on-line terminals, using high-speed communication software to perform functions with teams in Canada, Austria and The Netherlands.
- Won a VLT expansion contract from Delaware State Lottery.
- Received ISO 9001-2000 certification for its assembly plant by the Quality Management Institute (QMI).
- Celebrated Spielo's CEO, Jon Manship, being named one of Canada's "Top 40 Under 40" business and community leaders.

EssNet

- The Israel Sports Betting Board started successful operation of a state-of-the-art ELOS system with all the latest gaming functions included.
- Launched the new E6 terminal at World Meet '01.
- First delivery of E6 terminals to Lotterie-Treuhandgesellschaft mbH Hessen, Germany.
- Supplied ELOS e-Channel interface to Nordwest Lotto and Toto Hamburg, Germany, now offering games via the Internet.
- Three new ELOS e-Channel contracts signed for 2002.
- Launched interactive TV betting at World Meet '01.

Tecnost Sistemi

Tecnost Sistemi recently won an international tender to supply Lottomatica, the company that runs the Italian lottery, with 13,000 new MAEL 370 terminals.

The company also won the international tender to provide Lottomatica with 13,000 additional specialized printers to be installed in the selling points, connected to the terminals, in order to offer the public a variety of additional services beyond those of gaming.

Intralot

- INTRALOT's H1 2001 consolidated turnover reached Euro 134 million compared to Euro 111.5 million for the same period last year – an augmentation of 20%.
- Profits before taxes recorded an increase of 48 percent, from Euro 23.2 million to Euro 34.3 million.
- · Awarded a 7 year contract for supporting on-line the games of Polla Chilena (Chile).
- · Growth continues for BETTING COMPANY, a member of INTRALOT Group. In 2000 Greece ranked first among Fixed Odds Betting Games worldwide with Euros 1.05 billion, and now according to latest estimation, turnover in 2001 is running at a 25% growth rate.

Nter Technologies

- Partnered with CGI for IT expertise with more than 13,000 consultants in 20 countries around the world.
- Selected to develop the new central online lottery system for Loto-Québec, signed a 5-year contract to manage LQ-SCQ's IT function for its three casinos, signed a 5-year contract to manage LQ-SLVQ's VLT network call center and central system, and entered into an exclusive licensing agreement with Bell-Technomedia to offer e-learning and HR e-management to the gaming industry worldwide.

QLot Consulting

- Established a U.S. office
- Added Ted Manno, Chip Law and several senior consultants.
- Added new customers on four continents: Asia, Europe, North and South America.
- The company has devoted significant resources to a new range of services aimed at improving the profitability of lotteries in their on-going operations. The launching of the Retail Advisory and Sales Proficiency (RASP) program is just one example of the innovative services brought by Olot to the marketplace. RASP is a set-price program to quickly identify opportunities to increase revenues or decrease sales and distribution expense.

Eget

The year 2001 has been a major break through for EGET as it evolved from a small Finnish company with a single customer to be a major player in the international Lottery Industry. The milestones have included the launch of the Lottery Module and expansion of the supported game range (Sports Betting, Lottery and Casino Games), as well as new contracts with the Finnish Trotting Association (FinToto), the Luxembourg National Lottery, and a contract with the only Internet lottery in Norway (Norskspill.no).

TeleCom Productions

TeleCom Productions has agreed to merge by 12/31/01 with ILTC (Intrepid Lottery Technology Corp). The new venture will be based in Atlanta and called The TeleCom Game Factory. It will be a full service game content provider to lotteries worldwide including licensed property games, game design and "RADDS" their new Random Animated Digital Drawing System, designed to reduce drawing and production costs. ILTC's principals will remain in Newport, RI and head up the RADDS effort and the TeleCom Game Factory office there. RADDS has been sold to both D.C. and Delaware lotteries for early 2002 delivery.

CashCode

This year marked the tenth anniversary of CashCode Co. Inc. The company celebrated by unveiling the CashCode FL (Front Load) Validator equipped with a multi-width (MFL) option; advanced optic, dielectric, and inductive sensors for maximum counterfeit protection; and lockable, removable metal gaming cassettes to secure operator profits. Of all the numerous and memorable highlights of 2001, the most satisfying are the company's continued growth and recognition: a reputation for superior validation technology.

Betware, Ltd.

2001 has been an exiting year for Betware. New clients and the healthy growth of the company despite the recent economic slump are two important points. Betware established a permanent presence in the U.S. in 2001, first in Los Angeles and now in New York. This shows that the company remains committed to the U.S. market and that Betware will offer its services to U.S. lotteries as they branch out onto the Internet and other new mediums.

On the European front the biggest news is without a doubt the contract with Dansk Tipstjeneste (Sports betting in Denmark). Betware is now a member of the WLA and will be actively participating on that front. This year saw the first examples of the "Betware Promotional Package" which enables lotteries to start gathering Internet gaming experience by offering play for free games on their websites.

Smartplay International

In 2001 Smartplay International signed 21 new contracts from lotteries in the US, Canada, Europe, Asia, South America and the Caribbean. Smartplay model placements include: Custom Wheels, Saturn, Gem, MegaGem, Multipick, Criterion, Vortex, Emerald, and the Halogen.

Oberthur Gaming Technologies

The dawn of the new millennium was a very successful year for innovations, new contracts and contract extensions for Oberthur. Their Winning Concepts marketing umbrella, launched early this year, which includes licensed games, proprietary products and patented play actions, has allowed their customers to increase their sales and expand their markets. Winning Concept innovations such as pop-up and CD-ROM games, Beetle Bailey and Slingo – based on the popular casino, slot machine and Internet game – are also experiencing great international success. With the acquisition of ISA (Brazil), Oberthur solidified its position as the only instant supplier who is truly both local and global.

Schafer Systems Inc.

Chris and Betty Schafer allowed the employees of Schafer Systems Inc. to become majority shareholders in 2001. The employee owners motto is "If you have a Challenge, Challenge us" and the lotteries have definitely been challenging Schafer Systems this past year. The lotteries are offering a larger variety of games with dye cut single tickets, CD ROM games and new fan folded books of pull-tabs. As a result, Schafer Systems is creating a larger variety of products to accommodate the retail environment (fabricated dispensers, play centers, Scratch-N-Win, Promoters, CD ROM dispensers) with an ultimate result in better placement of Instant Tickets.

Wincor Nixdorf

Key successes in 2001 were winning the prime contractorship for fitting out 2,900 of the Lower Saxony lottery company's sales outlets in Germany with Xion /M lottery terminals, and equipping Shanghai-based Fengcai Lottery's expanded network of sales outlets. Last year, Wincor Nixdorf had already supplied 1,500 touchscreen terminals to China, and after the expansion these are to be joined by a further 400 keyboard terminals, bringing to over 10,000 the number of Xion/M terminals sold since the product was introduced in 1999.

Keba

The Austrian Lotteries have chosen the new generation of KEBA's lottery terminals. From next year on, 4,500 additional retail shops will be equipped with the new KeWin mini by KEBA. KeWin mini will be used for processing instant tickets.

eLottery

- eLottery hired Greg Ziemak, former Director of the Kansas and Connecticut Lotteries, as Senior Vice President of Sales and Marketing.
- Maryland Lottery conducts instant and on-line game research surveys and proposed game simulations using its eLottery IMARCS developed VIP Club.
- Kentucky Lottery implements second chance drawings for the Spam and Fast Cash instant games.
- New Jersey Lottery implements second chance drawings for the Elvis, Spam, Raceway Riches and Hollywood Squares games.
- Hoosier Lottery implements second chance drawings for the Spam and Fast Tracks instant games and for the Daily Numbers on-line game and conducts research surveys with its eLottery VIP Club
- Idaho Lottery extends contract with eLottery for its VIP Club and implements Lucky Sevens instant game second chance drawing.
- A Strategic Alliance Agreement is signed with Oberthur Gaming Technologies.
- eLottery receives allowance letter for a patent for a lottery system for playing state lottery games over an electronic internet network eLottery's pre-paid card internet sales technology.

ETI

ETI is in the running for the Ontario Lottery Contract for Lottery Terminals – worth as much as \$78 million, and for for an order to replace 8,000 terminals in Belgium's national lottery. If ETI gets the nod from Ontario and Belgium, it would hire between 70 and 100 people.

ETI pitched a new terminal - the V3 Elite - to Ontario and Belgium, featuring chips ranging from 450 megahertz to 1.3 gigahertz, an improved video card and bigger monitor, a DVD player that can be hooked up to an external video monitor to show lottery-promotion material, a larger bar-code scanner, and the ability to be hooked up to a Web-application server.

Lotteries Launch

Holiday Instants

Atlantic Lottery Corporation

This Christmas season ALC has the perfect gift for everyone on your list. Whether you are looking for a little something extra, or something for the person who has everything, you'll make everyone on your list happy with one of the great Christmas tickets being offered by ALC.

The \$2 Stocking Stuffer has four games, a bonus area, and a top prize of \$20,000.

Christmas Countdown (\$5) features a top prize of \$50,000 and a doubling function. The \$5 12 Days of Christmas gives players a chance to win \$50,000 on 12 games. The perfect gift for the person who has everything is the \$10 Christmas Gift Pack. The pack offers players the chance to win \$77,777 through the games Loto Bingo, Loto Crossword, Stocking Stuffer and Lucky 7.



Colorado

The Colorado Lottery's spokeselves, Winnie and Lucky, unveiled the first \$10 Scratch game as part of this year's holiday lineup. Holiday Riches went on sale at more than 2900 Lottery retailers on Friday, November 2. The game offers prizes from \$10 to \$250,000, the largest instant prize

offered from a Lottery Scratch game.

Holiday Riches is joined by the \$1 game, Xtreme Holiday Thrills, and the \$3 Scratch game, Merry Money. Xtreme Holiday Thrills has 100 top prizes of \$1,000, while Merry Money's top prize is \$75,000.



Connecticut

It's "ix-nay on the ipper-slays" this gift-giving season in Connecticut. Winner Wonderland is a \$1 quick play scratch and match game featuring a top prize of \$1,500. It'll be Happy Holidays for players who reveal the \$5,000 top prize on the scratch ticket by the same name - it offers players up to ten chances to win on each ticket. Holiday Magic, a \$10 ticket with a \$10,000 top prize, will be sure to add some razzle-dazzle

to gift giving this year. Featuring six games on each ticket, players can win amounts from \$10 to \$10,000.

Delaware

This holiday season the Delaware Lottery introduced two holiday Instant Games, Holiday Magic and A Wreath of Franklins.



The Holiday Magic Instant Game features ten games and 15 chances to win on each \$10 ticket. Top cash prize for the game is \$50,000. Holiday Magic is also the Delaware Lottery's first \$10 Instant Game.

The \$1 A Wreath of Franklins Instant Game may not offer a top prize that's enough for a down payment on a pink cadillac, but you have to admit that the folks who came up with the game's clever name deserve your R-E-S-P-E-C-T!

Florida

The Florida Lottery kicked off the holiday season with three holiday instants, Jingle Bucks, Holiday Cash, and Merry Money.

Jingle Bucks is the Lottery's newest \$5 Instant, and features a "To and From" space for giving as a present, as well as a \$100,000 top prize. Holiday Cash is a \$2 instant with a top prize of \$10,000, while Merry Money is a \$1 game with a top prize of \$700.



Georgia

The Georgia Lottery Corporation is launching five holiday-themed instant games this season. They are: Holiday Cash (\$10), Happy Holidays(\$1), Holiday Treasures(\$2), Season's Greetings (\$5) and New Year's Bonus(\$3).

Kentucky

The Kentucky Lottery is offering four holiday scratch-offs and one pull-tab this

holiday season. Mistletoe Bingo offers a top prize of \$1,000 and is just \$1. The \$2 Stocking Stuffer is sure to be hung by the mantle this holiday season with a top prize of \$10,000.



Snow Me The Money is a \$5 game that has a \$50,000 top prize. Their final holiday ticket is Kentucky Holiday. The \$10 ticket offers a top prize of \$250,000. Holiday Cheer is their only holiday pull-tab and sells for 50 cents.

Michigan

For the first time ever, the Michigan Lottery is introducing a \$20 instant game



prize; "Treasures Under The Tree" — \$25,000 top prize; "Jingle Bell Bucks" — \$250,000 top prize; "Dashing Through The Dough" — \$5,000 top prize and "Frosty's Fortune" — \$15,000 top prize.



Missouri

The Missouri Lottery rolled out four holiday-themed games on Nov. 3: "Stocking Stuffer," "Merry Money," "Holiday Bingo," and "Holiday Cash." All games have "to" and "from" lines so they can be used as gifts or gift tags.

"Stocking Stuffer" is a \$1 Instant that gives players a chance to win up to \$500.

The game will return 62.67 percent of sales as prizes. "Merry Money," a \$2 game, offers players 10 chances to win up to \$20,000. The \$2 "Holiday Bingo" game gives players a chance to win up to \$25,000. "Holiday Cash" is a \$5 ticket with 20 chances to win up to \$100,000.



New Hampshire

There are four holiday theme instant games on sale this year in New Hampshire. Happy Holidays and Snow Daze are \$1 games. Happy

Holidays doubles as a gift tag with a "To" and "From" spot on each ticket, and players in New Hampshire will get a kick out of the Snow Daze artwork as it is reminiscent of a snowy day on Interstate 93 in the Granite state. Winner Wonderland is a \$2 game and players will smile and think of "Frosty the Snowman" when they see this ticket on sale.

Highlighting the holiday season is their \$3 Season's Greeting game with a top prize of \$25,000. This is the first two-sided game that the New Hampshire Lottery has printed. The game folds in half and may be used as a holiday gift card.

New Jersey

The New Jersey Lottery is introducing two new holiday instant tickets this season. Holiday Magic, a \$10 ticket that offers players a chance at a \$1 million top prize, while the second seasonal Instant, Holiday Wishes, offers a top prize of \$20,000.

New Mexico

The New Mexico Lottery is celebrating their biggest ticket ever. "Lucky Luminarias" is the Lottery's first \$10 ticket with a top prize of \$100,000 and overall odds of 1:2.79. It is the biggest (4 in. x 12 in.) instant ticket ever printed in New Mexico and the smallest pack (30 tickets per pack).

The ticket features luminaria attractions from around the state and offers seven different play styles on each ticket.

Luminarias are small lanterns consisting of a lighted votive candle set into sand in a small paper bag and placed in a row with others along a walkway, driveway, or rooftop as a holiday decoration.



Ontario

This year, the OLGC is offering a variety of Instant products with a Holiday theme. The popular \$3.00 games Instant Bingo and Instant Crossword will offer bonus prizing for the Holiday season. A Holiday favorite, Stocking Stuffer, returns with a \$35,000 jackpot and three play areas for \$2.00. In the \$1.00 category they offer Holiday Cash (\$2,500 top prize) and Tic Tac Noel (\$10,000 top prize).

The Lottery is also offering a \$10.00 HOLIDAY SCRATCH GIFT PACK pouch containing a perforated strip of 5 tickets – Crossword, Holiday Cheer, Frosty the Doughman, Instant Bingo and Holiday Treasure. There is a guaranteed winner in each pouch.

Another \$10.00 product, the LOTTO 6/49 gift pack, contains a coupon with an \$11.00 value, to be redeemed for an on-line ticket with 10 LOTTO 6/49 selections and one selection for the add-on game ENCORE. There is no play area on this coupon.

Oregon

The Oregon Lottery is launching three holiday tickets. The \$1 Cold Cash has a doubling feature, the \$2 Fat Cat



Skis features a "Fast \$50 bonus", while Scratchin' With Santa offers 25 games on each ticket and the ability to win multiple times.

Our advertising and promotional support for our holiday games is tagged "Give 'em what they really want for the holidays - Scratch-its".

The POP and media will portray a Martha Stewart looking person, who creates Unique Gifts for the Holiday. The TV spot will feature the creation of "Turkey Face Santa" from a turkey carcass. The POP campaign will also feature Turkey Face Santa, and other fun images, including Sleigh Slippers and a Garland Jacket. To support the Holiday Gift Giving season, we have designed a web page that is unique and fun.

When the public goes into the Lottery's web site at (oregonlottery.org/unique gifts) they will be able to access some truly unique ideas for the holidays. These include things like, gift tags, tree ornaments, ticket/gift envelopes, wrapping paper and other cool things.

Pennsylvania

The Pennsylvania Lottery offers five instant ticket games in a holiday theme – Grand-a-Day Holiday, Holiday Package, Mistledough Doubler and Candy Cane Cash. Yule be a Winner is a first for the Pennsylvania Lottery. With a guaranteed prize between \$5 and \$10,000 on every ticket, the game is marketed as a "perfect gift."



Rhode Island

The Rhode Island Lottery launched four Instant holiday blockbusters in mid-October. Rhode Island Holidays, the Lottery's first \$10 Instant, has a

top prize of \$100,000. Home for the Holidays has a top prize of \$40,000. Old Man Winner features a top prize of \$15,000, and Holidays Wishes has a top payout of \$4,000 and a "To and From" section - perfect for gift giving. The



The South Dakota Lottery released two holiday games on October 4th. Merry Money is a \$5 game featuring a \$25,000 top

prize and a "To and From" area for convenient gift-giving, and 10 chances to win. The \$1 Reindeer Games ticket sports whimsical card-playing deer. It offers a beatthe-dealer play style and a \$4,000 top prize.

Washington

The Washington State Lottery has a Secret to share this holiday season...

It's the new "Secret Santa" \$10 Scratch game. With every ticket a winner, a top prize of \$250,000, and a chance to win up to 20 times on a ticket, this is the perfect stocking stuffer or Secret Santa gift this holiday.

More "Holiday Treasures" are in store-retail stores, that is, this season. Imagine wrapping up \$25,000 for a very special gift this year! That's the top prize on the Lottery's \$2 "Holiday Treasures" Scratch game.



West Virginia

The West Virginia Lottery has launched two limited-print holiday tickets this season. in an attempt to sell out by the holiday and to create "limited time only" chatter. CANDY CANE CASH is a high payout game with a top prize of \$100, and HOLIDAY COUNTDOWN has a top prize of \$100,000 and a chance to win up to 25 times. HOLIDAY is the third \$5 ticket for West Virginia.

Wisconsin

The Wisconsin Lottery launched three new tickets for the holiday season. For the second year, the Lottery will offer a \$10 holiday ticket, with a top prize of \$100,000 and a guaranteed win of at least \$3 on each ticket. Also being launched are "Wintertime Wishes", a \$2 ticket featuring the work of artist Jane Wooster Scott and "Season's Greetings", a \$1 ticket that doubles as a gift tag. ■

A Continuing Look at the Exhibitors from World Meet

Solutions to Help Lotteries Increase Sales and Decrease Costs

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

This month we continue our look at the products and services showcased by vendors at the World Meet trade show in Albuquerque. From ideas for reaching new customers to reducing costs to taking advantage of new technologies, here are some additional highlights straight from the World Meet exhibitors.



Editec

Through its newly created division, WinTV, Editec builds, sells and services a full range of lottery drawing equipment throughout four continents. WinTV offers the largest range of drawing equipment including the state of the art Venus System. All WinTV drawing machines include the specifications

required for attractive, fully secure, and reliable drawing operations. A unique feature of WinTV's drawing machines is the use of proprietary, solid construction, lightweight drawing balls which significantly reduce the noise during the draw while also providing a greatly enhanced presentation. The latest Venus System offers many unique features including control of all drawing parameters through the use of a PC, the automated recognition of drawn balls, and the integration with proprietary TV bingo software to enable the rapid draw and instant file manipulation necessary for the presentation of this game.

eLottery

At World Meet, eLottery introduced its new pre-paid card technology which enables lottery jurisdictions to offer the sale of subscriptions and tickets over the Internet. A player purchases a pre-paid card, which contains a fixed denomination and encrypted code, at a lottery retail location. After activating an account through the lottery web site containing name, address and age information, the player deposits the funds from the card by entering the encrypted code. The eLottery system matches that information to a database of pre-paid cards, authenticates the amount, marks the card as "cashed" and updates the player's account. By selling pre-paid cards at existing retail locations, eLottery's pre-paid cards provide the same age verification for Internet play as

currently exists for conventional over-the-counter ticket purchases. eLottery also offers safeguards to protect unauthorized use of the pre-paid card. Most importantly, prepaid card sales enable the lottery to keep its existing retailer base in the selling process, rewarding the retailer with additional selling commissions.

Tecnost Sistemi

In the stand of Tecnost Sistemi, a company of the Olivetti Tecnost Group, which specializes in lottery/ pari-mutuel wagering automation, banking and retail systems, the interest of exhibition visitors was particularly drawn to the new family of MAEL 380 gaming terminals. The



design of these terminals received such attention thanks to the ergonomic solution to today's requirements: small footprint, large 12" touch-screen display, wide configurability and standard PC architecture.

MDI

MDI's booth at World Meet was the place to have fun, win prizes and learn about new MDI licensed lottery properties. MDI introduced two new sports licenses, World Cup 2002 and the NBA. Lottery executives could win



prizes playing Hollywood Squares Tic Tac Toe, and trade show visitors also got souvenir photos with Jeff Burton's Show Car, Elvis Tribute Artists and the Universal Studios Monsters.

Pollard Banknote

Pollard Banknote showcased one of its latest innovations at World Meet—a new line of laminated instant lottery prod-

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ucts. Delegates were enthusiastic about the Action Pack, an integrated paper lottery pouch offering the marketing benefits of the traditional pouch but at a lower cost and with the added advantage of environmentally friendly packaging. Double Play, a combination scratch-off/pull-tab ticket that promotes crossover play between the two formats was equally well received. Delegates were also quick to realize the unrivaled convenience of Pull-Tab Plus, a variable-imaged pull-tab ticket featuring full on-line validation capability, 100 percent accountability and enhanced security.



Wincor Nixdorf

With Lotto-InfoBoard, Wincor Nixdorf presented a modern, space-saving "infotainment" system at the World Meet exhibition. The self-service terminal, which is designed to be wall-mounted, can be custom-configured, thanks to its open PC architecture. As with the Xion/M lottery terminal, the unit is operated using a flat touchscreen. Sound-based applica-

tions are handled via the built-in speakers, and magnetic and chip-card readers are also available, allowing for the use of customer loyalty cards and other similar programs. The Lotto-InfoBoard offers a simple, easy-to-use method of accessing information provided by lottery companies, i.e. "OddSet" pairings, Internet content and much more. Teamed with a built-in barcode scanner, the Lotto-InfoBoard becomes a validation terminal as well.

Access Gaming Systems

Access presented the Austrian Lotteries gaming portal (webclub.at), the world's first lottery website to combine



traditional lottery number-based games, interactive instant games and casino games, all running on one platform. Delegates were also shown Access' extensive range of games and client implementations, including those of La Française des Jeux and Westlotto. Access' secure, proven and reliable interactive gaming system, combined with a comprehensive Games and Site Development Toolkit allows lottery operators to offer unique content, sourced from internal resources or from established game content providers.

The Chadwick Group

The Chadwick Group provides robust, interactive software applications and marketing programs to the gaming, sports and entertainment industries. Products include SCORE, a promotional game, Bingo-to-Go, and eScratch, an instant/Internet game. Each game can be produced as a preprinted ticket, make

available through a lottery's online vendor's system, and via the Internet, all at the same time. Play along with their games by visiting their web site at scorebingo.com.

Lapis Software Associates

Lapis Software Associates presented gemEnterprise, a software system that provides all the common business services required by modern lotteries. Some of the services include: retailer management, retailer accounting, prize payment and claims management, marketing and sales, and management information.

In addition to gemEnterprise, Lapis Software Associates also provide technology services covering the entire spectrum of systems used by lotteries worldwide.

Ipsos-Reid

Ipsos-Reid demonstrated specialized custom research to assist in designing Scratch-Offs. Their "choice modeling" research identifies the best combinations of features (price, top prize, play style, theme, number of play areas, etc.) that would inspire selection by greater proportions of the market. Users of this powerful research technique receive an interactive "choice simulator" computer application, which allows the ability to create an endless number of "what-if a Scratch-Off had these features..." scenarios to see the impact on their market.

Williams Industries

The RattMatt Countermats proved to be the most popular product in the Williams Industries booth. This repositionable/removable adhesive countermat is one of the mainstays of Williams Industries' lottery products. It is extremely durable and stands up to the rigors of a busy retail counter, and most importantly, it stays out of the way by remaining almost flush with the counter. It also has the advantage, due to it's adhesive characteristics, of being able to be stuck to walls, doors, counter fronts, or almost any surface that could use lottery related advertising.

Timbec

Timbec Inc. is a security printer specialized in the production of scratch cards. For state/provincial lotteries, they produce short runs for focus



groups and market research. Their main business is the production of promotional scratch cards either for instore promotions and direct mailing campaigns. Timbec also produces a wide array of fundraising cards for non-profit organizations. As for something new, Timbec is now able to produce highly secure, non-counterfeitable gift certificates.

Circles of Learning Returns to Atlanta

MART-Tech 2002 is returning to, Atlanta, Georgia February 3-6, 2002. The theme for this year's SMART-Tech is "The Name of the Game is Growth" which captures the essence of the challenge for lotteries today. The emphasis, as always, will be on smart and innovative ideas, games, adverting, marketing and other things that lotteries are doing to be successful as well as what they see for future growth.

The events of the past weeks, as tragic as they have been, have galvanized the spirit of everyone and have increased our resolve to succeed despite the obstacles. This is a time for optimism and an opportunity for us all to show that we can make an even greater contribution to the public good through our work. This will be the foundation for this year's SMART-Tech.

The Name of the Game is Growth!

February 3, Sunday

12am-5pm Circles of Learning Set-Up

9am-7pm Registration Open 2pm-3pm **New States Orientation**

3pm-5pm Opening Session

- Welcome to SMART-Tech 2002 Duane Burke, Chairman/CEO, Public Gaming Research Institute, Inc.
- Welcome to Georgia Rebecca Paul, President/CEO, Georgia Lottery Corporation
- Introduction of Representatives from Non-Lottery States
- Leadership Forum: The Directors.

5pm-7:30pm "Salute to America" Reception

February 4, Monday

9am-6:30pm Registration Open

9am-noon General Session II - Moderator: Rebecca Paul

- New Revenue Challenges for the States
- The Newest Lottery South Carolina What Can Be Learned

- Hitting the Jackpot: The Multi-State Games
- · Reports on each of the multi-jurisdictional lotteries in North America; how they are doing; what they are planning; how much to the bottom line.
- King of the Hill! Video Lottery, A Great Growth Opportunity "Welcome South Carolina" Luncheon Noon-2pm 2pm-4:30pm General Session III
- Hottest Scratch-Offs and How They Got That Way
- Marketing Instant Games Maximizing Sales
- Bring More to the Bottom Line with On-Line Games 4:30pm-7pm "Georgia Lottery" Reception

February 5, Tuesday

9am-noon General Session IV

- Advertising and Public Relations in an Era of Tragedy and Uncertainty
- · Lottery and Vendor Security in this New Era
- Lotteries on the Internet in the New Economy
- Making the Most of the Retailer Network Noon-2:30pm "Products for Growth" Luncheon 2:30-4:30pm General Session V
- SMART-Ideas Unique and thoughtful ideas that help a lottery organization increase revenue or enhance efficiency. Presentations will be in the following categories for both lotteries and lottery suppliers: - Cost Savings - Revenue Enhancements - New Product, Service or Technology
- Product Briefs

February 6, Wednesday

9am-11am General Session VI

- Focus for the Future: Growth and Optimism
- TALK BACK LIVE
- SMART-Idea Awards

11am SMART-Tech Adjourned. ■

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. Public Gaming Research Institute, Inc.

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Lotteries on the Internet The Next Step

GRI recently surveyed the lotteries of the world to find out what the next step was in their plan to take advantage of the Internet. Responses have been given from jurisdictions that allow online gaming, and from jurisdictions that do not.

British Columbia Lottery:

From a marketing perspective, the Internet is being utilized as a communication channel. By the end of this fiscal year, we hope to have established one-to-one relationships with a small but still significant number of sports and lotto customers.

Florida Lottery:

Flalottery.com aggressively pursued ADA "Americans with Disabilities Act" accessibility requirements, with the goal of making our entire site access friendly by the end of November 2001. Fortunately, that goal was met. We will continue to renovate content areas to provide more detailed information about the subjects of greatest interest to our player base. We also plan to introduce new, interactive features over the course of the next year.

lowa Lottery:

At this time we are planning to market our VIP Club over the web more aggressively. We are also planning to communicate with VIP Club members more frequently using email.

Kansas Lottery:

We anticipate the introduction of "Player Connect," a service of our online vendor, GTECH, by July 2002. This will allow an "opt in" email service for our players to keep them informed of jackpot amounts, new game launches, and other up-to-date information.

Kentucky Lottery:

We are currently in the process of a complete overhaul

of our web site. We have developed an e-business strategy which will be implemented in phases. This includes the introduction of a VIP Club. We'll step up our efforts to utilize the Internet as a marketing tool, like more email pushes to registrants in our database as well as partnering with other organizations that have sizeable databases in our state.

Maryland Lottery:

We are working to improve our Internet efforts by heavily promoting our online VIP club, which offers many benefits to players. Soon we will be able to offer subscriptions over the Internet via credit card purchase.

Montana Lottery:

We plan to implement an electronic VIP email program, and eliminate using U.S. mail when communicating with VIPs. In addition, we will continue to keep abreast of any changes in laws or policies related to Internet gaming.

National Lottery of Kazakhstan:

Perhaps we'll try to sell our tickets via the Internet and launch one of our digital lotteries. Unfortunately, there are only a few users of the Internet in Kazakhstan, and this is the main limiting factor.

Nebraska Lottery:

We will be re-designing our website and adding a player loyalty club. We will also be adding more entertainment value through interactive games, as well as offering promotions that tie back to our products...requiring visitors to purchase products from retailers in order to participate in the web promotions.

New Jersey Lottery:

In the beginning of this fiscal year, we launched a retailer website which allows retailers to access their individual sales information. This website also provides them with general lottery information, rules and regulations, lottery graphic standards, retailer promotions and other useful information. Future developments for this site will include instant ticket inventory activity, downloading of forms, and license renewals. Our player website continues to be expanded with second chance draw-

ings and opt-in emailing, and future enhancements this year will include

player loyalty programs.

New Mexico Lottery:

We have been and will continue to seek out ways to utilize Internet marketing as an avenue to increase sales.

New York Lottery:

We are completing Phase II of our Web site redesign. We are testing a VIP Players Club to determine relevance to prospective customers. Our goal is to use the Web site in the most effective and cost-efficient way to respond to the needs of our current and future players as well as the general public and the media. Ultimately, our plan is to be "transaction ready."

Nordwestdeutche Klassenlotterie:

We have used the Internet as an advertising media and as a sales channel for years. This year, we have launched our new product nkl-cyberlotterie (nkl-cyberlotteri.de), available only to players in our jurisdiction. NkI-cyberlotterie is the first Internet class lottery worldwide. In 2002, we will focus on improving this new product to meet the needs of the Internet customers even better.

Oregon Lottery:

On the Internet, we will continue to attract new web site visitors through web promotions and build frequency of visits by adding fun, interactive attractions to the site. Also, we will be experimenting with creating links on other Internet sites. The plan is to create these links during a time when we have a featured promotion on the site, when there are large jackpots and big winners.

SAZKA, Czech Republic:

We have our website on the Internet. It is being enlarged with a 3-D gambling room, TV draw record and other various actualizations. We are also constructing a special web page for retailers. In the future we see betting via the Internet, but our legislation does not allow it. Still, we want to be ready for this alternative.

Texas Lottery:

Effective September 1, the Texas Lottery began providing streaming video of online game drawings via the

> Internet. Players are now able to watch the actual drawing "live" or on-demand for the drawings of their choice. The streaming video can be seen by contacting the TLC website at txlottery.org.

Varalotteriet, Denmark:

We are already represented on the Internet, but are considering whether we should make our site more interactive. One example is that we may in the future offer the opportunity to buy lottery tickets on the site.

Vermont Lottery:

We are currently in the process of developing a new website. The Internet will be used primarily as an informational tool. We will most

likely include a password protected area for agents to communicate with each other and also get agent specific information (i.e. newsletter, promo information). Also, we hope to have interactive features for lottery customers. We will also consider focus group opportunities (customer and agent). We are in the very early stages of site development.

Virginia Lottery:

We will proceed cautiously because of the politically sensitive nature of Internet gaming.

West Virginia Lottery:

Recent surveys indicate that West Virginia has one of the lowest rates of home-based computer ownership in the nation. As such, the West Virginia Lottery has not placed great emphasis upon this medium. Our long term plan is to use the Internet as a promotional and research tool as other jurisdictions are doing, today.

:// on the internet

Massachusetts Lottery Launches New & Improved Web Site For Lottery Players

Using the results of an informal survey of web site visitors as a guideline, the Massachusetts State Lottery has redesigned its official web site to better accommodate and provide more information to its web users. The new site is easier to navigate, and positions the most frequently requested information in a more prominent location on the site's home page.

Features of the new web site will include: a wider variety of Lottery news and information; comprehensive financial and historical data; a listing of Lottery local aid disbursements by city and town; requirements for prize claims; charitable gaming/bingo regulations and locations; agent listings; game rules and odds; and a new "for agents" section that provides up-to-date information for the Lottery's 7,200 retailers.

Goodlot.com Chooses BEA to Power Global Online Lottery for Charity

BEA Systems, Inc., announced that online charity lottery Goodlot.com has chosen the BEA WebLogic e-Business Platform to host its new global lottery. Goodlot.com is a charity lottery that will raise funds for globally recognized non-profit causes such as the Red Cross, UNICEF and the World Wildlife Fund (WWF). It is backed by some of the world's most respected ambassadors, including Nelson Mandela, the retired state president of South Africa; Anna Roosevelt, chair of the Roosevelt Institute; and international athlete Ruud Gullit.

The official site launched Nov. 16, 2001, at goodlot.com. The site will feature daily, weekly, monthly and jackpot draws.

Online Charity Gambling in Ohio?

Internet gambling for charity has made its way to Ohio in the form of the Firestone Park Athletic Association. Patrons surf their way onto winohio.com, enter a credit card number, place a donation to Firestone Park (a sponsor of baseball leagues) and then place a wager on one of the site's four instant bingo games. The legality of the operation is questionable.

Winohio.com allows donations as high as \$100 to become credits that can be wagered. Prizes range between \$2-\$100, and winners receive checks within a week. Approximately 2,200 tickets can be sold, and if all tickets sell the charity receives \$59.

Apparently, the site is set up for use by multiple charities. It asks players what charity they would like to donate to, but right now, Firestone Park is the only option.

Goodlatte Revamps Internet Gambling Legislation

Rep. Bob Goodlatte, R-VA has once again revamped his legislation that would outlaw gambling on the Internet. Among the language on the current version of the bill, is wording giving authorities the right to require financial institutions to refuse transactions for Internet gambling, as well as a stipulation making it illegal for anyone to knowingly accept credit cards, checks or electronic funds transfers as payment for wagers made over the Internet.

Access Gaming Systems Signs Agreement with Oberthur

Access Gaming Systems announced they've signed a Games Development Kit Agreement with Oberthur Gaming Technologies. The Agreement allows OGT to use AGS intellectual property to develop and port content and concepts for interactive gaming, for use with AGS customers.

The Agreement also allows customers and third party developers to modify and write their own games independently of AGS. This results in freedom of content sourcing and local competitive advantage.

New Jersey Lottery Unveils New Innovative Website

The New Jersey Lottery has launched its new and improved website, state.nj.us/lottery. The site, which serves as an interactive information resource for players, retailers, the media, and all interested surfers, now includes access to live Lottery drawings and television commercials, as well as a page dedicated to responsible play. The enhanced site is designed to be user friendly and a free resource to anyone interested in learning more about the Lottery, its history, games and promotions.

The new site includes lottery commercials, a responsible play page, live drawings, an unclaimed jackpots link, email subscriber service, lottery promotional events, a media news center, an instant game page, the Lottery's Annual Report, and a special "Where the Money Goes" page that underscores the Lottery's economic contribution to the State of New Jersey over the past thirty years. General information about games and drawings, officers of the lottery and a database listing the names, towns, and dollar amount of past winners by game is also available.

In the near future the site will include a Retailer Locator. By entering a town name or zip code, visitors will be able to locate the nearest Lottery retailer in their area.

Delaware Brings Retailer Network into ADA Compliance

In 1998 The Delaware Lottery adopted regulations which mandated program accessibility for people with disabilities. The Lottery recently completed the first phase of its Retailer Accessibility Process.

A three-year process of inspections, consultations, and re-inspections brought all current retailers into compliance with Lottery Accessibility Rules and Regulations. According to Lottery Director Wayne Lemons, fewer than two-percent of retailers were unable to comply with the requirements, and the Lottery discontinued ticket sales in those locations. On-going efforts will focus on maintaining compliance throughout the retailer network and inspecting new applicant locations before licensing.

Newman Saylor Wins South Carolina Ad Contract

Newman Saylor & Gregory is the apparent winner of the South Carolina Lottery advertising contract. Erwin-Penland had been awarded the contract originally (Newman Saylor finished third in the original bidding), but protests from Newman Saylor and second place finisher Rawle-Murdy Associates caused all three firms to agree to a one-day showdown for the \$7.5 million annual contract.

Marketing executives from state lotteries in Florida, Louisiana, Kansas and South Carolina scored the presentations, and all three firms agreed not to appeal the decision.

Illinois May Look to Lottery to Fund Security Upgrades

Illinois lawmakers are toying with the idea of creating a one day lottery game, the profits of which could raise money to fund state-wide anti-terrorism security programs. While the details aren't worked out, and no legislation has been drafted, it is one of few options to fund any of the \$100 million-plus proposed security upgrades that the federal government doesn't provide money for.

Rhode Island To Increase VLT Presence?

The Rhode Island Lottery's VLT Retailers, Newport Grand Jai Alai and Lincoln Greyhound Park are requesting permission to increase the number of their VLTs. If both requests are approved, video-gambling machines in the state would increase by 75 percent.

A public meeting held November 26 allowed the public to express its views on such an expansion.

Oregon Lottery Employee's Suggestion Amounts to \$1.2 Million in Savings

After hearing that their VLT manufactures upgrade proposal would cost the Lottery \$450 per terminal, Oregon State Lottery Employee Randy White approached his manager with a more cost effective solution. His idea was to replace a component in each of the 2,500 machines; a procedure that would cost \$12.50 per machine. White's idea saved the Lottery \$1.2 million, and he was given \$5,000 for his trouble.

Arizona, Colorado and New Mexico May be Forming a Tri-State Lotto Game

The Arizona, Colorado and New Mexico Lotteries could be in the process of creating a tri-state lotto game. Much like the fledgling Lotto South, this game is being pursued to create bigger jackpots.

Theoretically the game will draw twice-weekly, would cost \$1 to play, and would have a basic jackpot of \$2 million that would increase by \$500,000 per non-winning draw.

Kentucky Partners with 14 Other **Powerball Lotteries to Make Ray Charles** Campaign Financially Feasible

Ray Charles commands top dollar for his services, but the Kentucky Lottery and 14 other Powerball members shared the cost of the campaign to make it affordable for all.

Fifteen of the 22 Powerball lotteries signed on for the promotion. They include Colorado, Connecticut, Dirstrict of Columbia, Delaware, Iowa, Kansas, Kentucky, Louisiana, Minnesota, New Hampshire, New Mexico, Oregon, Rhode Island, South Dakota, and West Virginia.

The Kentucky Lottery received six television commercials and 12 radio spots, all customized for Kentucky, for \$116,000. Officials say one TV commercial typically costs the Lottery from \$60,000 to \$80,000 to produce.

The Kentucky Lottery plans to use the Ray Charles commercials for at least two years, and possibly beyond.

Ohio Lottery Incentive Program Boosts Sales

An instant ticket incentive from the Ohio State Lottery raised thirteen selected instant games sales by an estimated \$3.6 million, or 17.08 percent, according to the Lottery's Research Department. The incentive had a positive effect on overall instant game sales as well, which were up 2.12 percent over the same time last year. A total of 239 agents shared \$120,000 in prizes set aside for the promotion.

Colorado's Zamarripa Named PRSA CEO of the Year

Colorado Lottery Executive Director Mark Zamarripa was awarded the Public Relations Society of America (PRSA) Chief Executive of the Year award in a ceremony held Sept. 28 in Denver. The Colorado Lottery has enjoyed an 85 to 90 percent favorability rating since inception in 1983, and Zamarripa attributes much of the Lottery's success and high customer acceptance to the organization's communications efforts.

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 holding multiple posts, sometimes acting, but in most cases by people that had never experienced more than playing a lottery ticket (sometimes not even that) prior to their appointment. They had other talents and abilities, yes, and connections that put them in a position to lead their jurisdiction in what has become a nearly \$40 billion industry.

In recent issues of Public Gaming International, we've looked back on Directors from Arizona through Montana. Now we continue our feature that looks back on former directors, and answers the question, "Where are they now?"

Nebraska Lottery:

Since 1993. One Director.

New Hampshire Lottery:

This first US modern day lottery launched in 1964, and in nearly four decades has had just seven Directors. The first, Edward Powers, served for about 15 years and we remember him each year with the Powers Awards. Jim Wimsatt is a consultant in the industry. James Kennedy had 18 years with the Lottery (four as Director) and died in 1984.

New Jersey Lottery:

Eleven Directors for New Jersey since 1970, and the first was Ralph Batch who left to lead the Illinois Lottery. Hazel Gluck was a consultant for GTECH after serving in two top state positions. Joan Zielinski is a consultant and now has twins. Barbara Marrow and Frank Pelly took other government positions.

New Mexico Lottery:

Started in 1996, The New Mexico Lottery has had three Directors. Startup Director Ralph Decker retired. David Miller went back to the private side.

New York Lottery:

Nine Directors for New York since 1967. Longest serving, for about 12 years, John Quinn, left and went to GTECH in the Far East. Peter Lynch still works in the lottery industry and spends time in China. Jeff Perlee is with The Lottery Channel.

Ohio Lottery:

Thirteen Directors for the Ohio Lottery since 1974. One of the longest serving, Ron Nabokowski is presently an elected county official and has a firm, Benchmarkers, that consults to the industry. Startup Director John Kirkland went to Autotote. Ohio must have been rough in the early days, most of the Directors lasted less than a year.

Ontario Lottery Corporation:

Seven Directors for Ontario since 1975. Startup Director Marshall Pollack is now trying to start an Internet lottery in Canada. Other well-known lottery names coming out of Ontario are Ian Nielsen-Jones and Garth Maness.

Oregon Lottery:

Six Directors in Oregon since the 1975 startup. Jim Davey moved on to AWI.

Pennsylvania Lottery:

Ten Directors since 1972. Lynn Nelson still attends conferences and consults to the industry. Bernie Edwards went on to the Washington State Lottery. George Andersen served as Acting Director and went on to Minnesota as Director. Jim Scroggins left and became Director in Missouri. Chuck Kline moved on to become a top exec with MDI.

Rhode Island Lottery:

Just three Directors since 1974, with the first, Major Peter J. O'Connell, serving about 20 years. He was unique and has the top PGRI award named after him. Now retired.

South Dakota Lottery:

Since 1987, three Directors. The first, Susan Walker, went on to AWI.

Texas Lottery:

Texas has had three Directors since 1991. Startup Director Nora Linares is now a consultant.

Vermont Lottery:

Nine Directors since 1977. Bob Babcock is presently with AWI.

Virginia Lottery:

Started in 1988, the Virginia Lottery has had only two Directors. The first, Ken Thorson, is a practicing attorney in Virginia and does some lottery work.

Washington State Lottery:

Six Directors for the WSL since 1982. Evelyn Yenson moved on to another position in Washington State and then joined Scientific Games. She just recently joined MDI. Merritt Long has retired.

West Virginia Lottery:

Seven Directors for West Virginia since 1985. Arch Gleason was Director and then served as Acting before moving on to Kentucky. Butch Bryan was convicted on federal charges involving lottery contracts after his resignation.

Western Canada Lottery Corporation:

Before Guy Simonis went to BCLC, he was the Director of WCLC for more than 10 years. There have been five Directors here, including Garth Maness.

Wisconsin Lottery:

Wisconsin gets somewhat confusing. Bill Flynn was the startup Director in 1988 and then went on to work with lotteries internationally. Don Walsh served twice and is now with MDI. Grace Eckland is a consultant in the private sector. My count is seven.

Atlantic Lottery

On Oct. 22, 2001, Atlantic Choice became KENO Atlantic, offering players daily draws, more ways to win, and more prizes. With KENO Atlantic, players choose how many Spots they want to play, and how much they want to wager.

Players can pick their own numbers by completing a selection slip or they can have their numbers randomly selected by the lottery terminal through Quick Choice. Another option is Hi-Lo, where the terminal randomly generates a 2-Spot and a 10-Spot, in one \$2 transaction.

Changes to the prize structure include the addition of five \$2 prize tiers and additional prizes.

Delaware

In mid October, the Delaware Lottery introduced its first \$10 Instant Game—HOLIDAY MAGIC. The HOLIDAY MAGIC Instant Game was designed for gift givers looking for a more substantial stocking stuffer or office present. HOLI-DAY MAGIC features ten games on each ticket and 15 chances to win.

Ads have been placed in local holiday gift guides and newspapers to promote the new \$10 HOLIDAY MAGIC Instant Game as a great gift idea for this holiday season.

All Delaware Lottery Retailers will earn double commissions on the Holiday Instant Game tickets they sell. They will receive \$1 for each HOLIDAY MAGIC Instant Game ticket sold and 10¢ for each A WREATH OF FRANKLINS Instant Game ticket sold.

Florida

What's big, about 100 feet long, green, yellow and blue, and sits high above the ground? It's the new Florida Lottery outdoor signs that are in the process of being erected at 179 locations in the Sunshine State.

The newly re-designed billboards, which advertise the current Florida Lotto jackpot, started going up statewide in October after the previous "Whole Lotta Lotto" campaign ended. The signs display the logo of the local TV station that airs live Lotto drawings, and the phrase "\$11 Billion to Education Since 1988."

Georgia

The Georgia Lottery launched five holiday-themed instant games this season; four of the holiday games offered a 10% sales commission to retailers.

Kentucky

The Kentucky Lottery teamed up with Pizza Hut to offer a discount on a large pizza with the purchase of a \$5 Powerball ticket. The promotion ran through November, and vouchers for the pizzas are good through December 31.

The Lottery's new game, "DVD Cash", offers 40 pull-tab players a chance to win a DVD player. The DVD Cash pulltab ticket allows players to enter the second chance drawing by mailing in the pull-tab ticket with a second chance entry symbol. The promotion runs through December 18.

There's only one way Kentucky Lottery players can get a chance to win part of the leftover Lotto Kentucky cash. They'll have to get an entry for the Think Bigger in the New Year promotion. Players who purchase \$3 of Lotto South tickets through December 15 will receive an entry for the weekly drawings. Each week, for four weeks, fifty entrants will win \$1,000 each, 100 will receive \$500 each, and ten will advance for the grand prize to draw for \$100,000, \$50,000, \$25,000 and \$500.

Massachusetts

In November, the Massachusetts Lottery launched three new games, including the \$600 Million Spectacular, the third ten-dollar game in the state's history. The \$600 Million Spectacular offers an 80% prize pay-out, including 15 prizes of \$4 million and 30 prizes of \$1 million.

The Massachusetts Lottery is also running its annual special on Season Tickets for its Mass Cash, Megabucks, and Mass Millions games. Players can purchase a three-month ticket for \$23 (normally \$25), a six-month ticket for \$45 (normally \$50), and a one-year ticket for \$90 (normally \$100).

Michigan

On January 1, the Michigan Lottery will implement a new retailer commission structure for its instant games. It is an incentive-based commission structure in which Lottery retailers earn a six-percent commission on all instant games, but have the opportunity to earn an extra one-percent commission depending upon how many instant tickets they sell. Each quarter, Lottery retailers will be measured on their percentage sales increase over the previous year's same quarter. If the retailer's sales goal is achieved for the quarter, the retailer will receive the additional commission on all instant ticket sales for that quarter.

Minnesota

On November 8 the Minnesota State Lottery and Department of Veterans Affairs held a news conference to announce a joint fundraising effort to build a Minnesota World War II Veterans Memorial. The POP material the Lottery produced for its Beetle Bailey Scratch Game focuses on these fundraising efforts. In addition to the materials placed at 3200 Lottery retailers, POP materials were also distributed to 1000 veterans organizations throughout Minnesota. Over 300 radio stations across the state are broadcasting public service announcements to support this effort.

Missouri

The Missouri Lottery introduced rules for its second calendar photo contest. Players are encouraged to send pho-

RoundUP

tos of "their favorite town in Missouri" by July 26, 2002. Thirteen winning photos will be selected for the 2003 Missouri Lottery calendar that is sent to retailers and jackpot winners.

The Lottery recently enhanced the service provided through Missouri's problem gambling help line. The phone line enhancements were in response to an increased number of calls to the help line. The average number of monthly calls has increased from 145 calls to 248 calls over the past year.

The enhancements include: all calls being answered directly by a clinical staff person trained to help problem gamblers and their families; callers being referred to the nearest appropriate agency for help; the referral agency database being updated monthly; and clinicians triaging calls so that all calls are answered more promptly.

New Jersey

The New Jersey Lottery has expanded its popular Pick 3 and Pick 4 drawings to include the addition of a midday drawing. Through the midday drawing, the New Jersey Lottery hopes to produce more overall winners, more prizes, increase game sales and generate greater returns for state education and institutions.

New Mexico

Patients at New Mexico's two state-operated veterans nursing homes received a pre-Veterans Day contribution from the New Mexico Lottery's largest instant ticket printer, Oberthur Gaming Technologies (OGT). OGT presented a check for \$1,500 that will be used for resident's personal effects.

The check was presented by famed comic strip character Beetle Bailey, on occasion for the launch of the Lottery's Beetle Bailer scratcher.

New York

The New York Lottery unveiled a limited edition Instant game featuring a \$4 million top prize, making it the richest Instant Game in New York Lottery history. The new game also features the highest prize payout percentage of any New York Lottery game ever, which means more money will be paid out to players in this game than any other game in New York Lottery history. Other key features of the \$4 Million Spectacular Instant game include: Multiple \$100,000 second prizes; more than 750,000 other cash prizes ranging from \$20 to \$50.

The Lottery produced a limited number of the Instant \$4 Million Spectacular tickets – only 6 million to be randomly distributed statewide compared to an average print run of 30 to 40 million tickets.

Ohio

Beginning with the Super Lotto Plus sequence which began Sept. 26, Ohio Lottery agents selling winning jackpot tickets are rewarded on a graduated scale, based on the size of the jackpot. If one agent sells the winning ticket, the store's bonus will be equal to one-tenth of one percent of the advertised jackpot for most jackpots. (The one exception is the game's starting \$4 million jackpot, which offers a \$5,000 bonus). Compared to the old bonus structure, agents are rewarded with higher bonuses as the jackpot goes above \$10 million. The minimum any agent can receive is \$5,000.

On Oct. 25, the Ohio Lottery's Buckeye 5 had a recordbreaking 53 top prize tickets sold, beating the previous record of 10 sold for a single Buckeye 5 drawing. Fifty-two winning tickets were sold at a Cleveland-area Convenient Food Mart. The holder or holders of those tickets have not yet made a claim.

Rhode Island

The Rhode Island Lottery launched four Instant holiday tickets in mid-October. The tickets will be advertised at Movie Cinemas throughout the state for a two-month period beginning in late October.

South Dakota

During a two-week promotion in October, South Dakota Lottery players received a free Rolldown ticket after purchasing two. Sales were up 80 percent during the promotion.

Virginia

The Lottery is honoring nine public educators from around the Commonwealth with their Excellence in Education Teacher Award. Teachers are nominated for this award by their area school boards and are presented the award on the field during halftime at University of Virginia and Virginia Tech college football games.

Wisconsin

Starting December 2, lottery players in Wisconsin will be able to purchase jackpot game tickets in advance for up to eight consecutive draws. The feature was developed with widespread support from the Wisconsin Lottery's Retailer Advisory Council. Draw extension will apply to Powerball and Wisconsin's Very Own Megabucks.

The Lottery recently added 69 new retail locations to its "Millionaire Club." The "Millionaire Club" is a way to recognize retailers who have generated \$1 million toward state property tax relief through their lottery sales. There are currently 96 corporate chains and 301 store locations that have earned this recognition.

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