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"Innovation sometimes means staring into the face of adversity, and mustering the courage to effectuate change."

**– Iowa Lottery
Commissioner**

Until now the best lottery terminals came from ILTS.



The ILTS Intelimark is built around the Epson IR 300

Now they come from the ILTS/Epson team!

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

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

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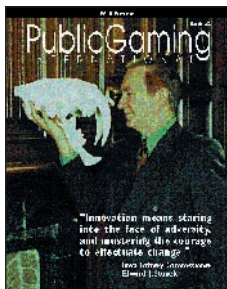
Now ILTS has teamed with Epson, the world's leading supplier of value-added POS solutions to introduce the Intelimark, a new on-line lottery terminal that integrates field-proven ILTS ticket-handling technology and its legendary performance with the latest point-of-sale technology.

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

ILTS EPSON
The advantage of teamwork!



ON THE COVER:

Iowa Lottery Commissioner, Dr. Edward J. Stanek, with Saber-toothed tiger skull.

PublicGaming

I N T E R N A T I O N A L



Several quality products will be on display at the WLA Conference in Adelaide, Australia. Read about some in our WLA Preview, page 18.

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Public Gaming International is now also available on the web.

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It was truly an honor to be named President of NASPL during the national conference in Baltimore. It's very rewarding to know that I will be following in the footsteps of Arch Gleason. His work in the areas of the standardization of technology and best practices in our industry and Internet Gaming legislation will help ensure the future success of our industry.

I have been a part of the lottery industry for more than 20 years. From the Colorado Lottery's first employee to my current position of director, it has taken a lot of long hours and dedication to help me reach my goals.

As most of you know, a lottery director is only as good as the staff around them. At the Colorado Lottery I have been very fortunate to work with a group of people who are dedicated to making our agency the best it can be. Currently, more than half the employees at the Colorado Lottery have been there for more than 15 years. I believe this is a testament to the loyalty and pride each of us has for the work that we do and for those with whom we share so much of our lives. In Colorado, it is definitely a team effort and I couldn't think of a better team to be on.

While it is a time to start thinking of the future, I can't help but look back on some of the dynamic events over the past 20 years that have made working in the lottery industry so exciting, and fun. I guess, when you think about it, that is what we're all about – creating a fun experience for our players, which in-turn generates revenue for all of the great causes we support as a group.

As we all know, things change throughout the years. But thanks to our vast knowledge acquired over nearly 40 years, now is the time to use that experience as we head into the future. In my opinion, the best is yet to come.

During my year as NASPL president, I will help guide the industry toward the next generation of:

- Games – whether it's new game technology or new ways to promote existing games.
- IT standards -- as an industry we need to continue to work on identifying best practices to make what we do more efficient.
- Advertising – are there better ways to advertise our prod-

ucts and how do we address advertising standards placed upon our industry by regulators?

- Players – who is the future lottery player and what do we do to appeal to the younger generation?
- Retailers – we need to continue to build a positive relationship with our retailers and find more efficient ways for them to sell our products.
- Lottery Employees – earlier I made reference to the number of my staff members who have been a part of the industry for more than 15 years. Unfortunately, we can't stay forever and we must begin to plan for the next generation of lottery employees. NASPL was created to further the education of industry employees, find new ways to share ideas and to help maintain public confidence and support for state and provincial sponsored lottery organizations. I want to help NASPL continue to fulfill this role.

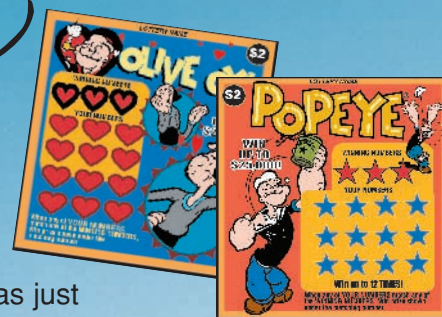
All of our lotteries face new challenges in the years to come. As we know, lotteries sometimes are unjustly criticized by opponents. They may say it is nothing personal, that it is about policy – but we do take it personally – whether the criticism is about our lottery or a fellow lottery.

But I believe we, as a group, are up to those challenges. In my opinion, we are all part of one of the best industries in the world. Each of us has a commitment to integrity and the security of our games and activities. We all value the innovation necessary to keep our game design and marketing successful. But most of all we must remain focused – and have a little fun along the way.

Mark Zamarripa

POPEYE

Here's a game that's
"strong to the finish!"



Popeye has just come aboard MDI's boatload of licensed brands. Now you can give your players an instant game backed by over 70 years of worldwide brand building and Q-Scores* that rank Popeye way above other cartoon characters.

To sweeten the deal, you not only

get Popeye, you get rights to his entire family – Olive Oyl, Brutus, Wimpy and Swee'pea. Together, this beloved cast is sure to punch up sales in demographics important to your lottery. So decide today to use spinach power



to green-up your profits. Learn just how easy it is to put Popeye on your game roster. Simply call your MDI Sales Representative at 1-800-572-7082. Soon you'll find yourself agreeing with Olive Oyl...

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November 2001 Marketing Evaluations, Inc.

Industry News

Intralot Supports Sports Meeting

Intralot supported the international one day meeting on "Sports as a dynamic industry of the new economy" which was organized by the Kokkalis Foundation and took place in Athens. The event coincided with the celebration of Intralot's 10th anniversary.

Intralot donated to the Ministry of Culture and Sports of Greece a special tailor-made report published on the economic impact of sports.

Among the speakers were WLA President, Mr. Reidar Nordby Jr. and the Vice President of CIBELAE Mr. Sergio Henriquez Diaz. Ambassadors, official state representatives and lottery directors from Europe attended the meeting.

All the speakers, especially Nordby, emphasized the lottery's contribution to the development of international economy, as well as to good causes and sports.

MDI and Ingenio Form Strategic Business Alliance

MDI Entertainment, Inc. and Ingenio have formed a strategic business alliance for the development and marketing of CD-ROM-enhanced lottery games.

Of course, Ingenio brings its innovative CD-ROM product to the partnership, while MDI brings a wealth of lottery expertise and a large portfolio of licensed brands, celebrities and cultural icons.

In a related story, Ingenio recently released its fifth CD-ROM Lottery product – Mini-Golf.

Interlott Inks Orders from Texas, Virginia and California

Interlott has gone through an impressive stream of signings in the last few weeks, inking deals from the Texas, Virginia and California Lotteries.

The one-year contract extension from the Texas Lottery for the lease, maintenance and service of nearly 1,300 ITVMs. extends the contract through August 31, 2003. With this renewal, the balance of the Lottery's nearly 1,300 ITVM locations will be upgraded to 12-bin machines.

The Virginia Lottery also contracted Interlott to have the company furnish up to 300 additional Expandable Dispensing System ITVMs. The three-year term of the agreement runs through September 30, 2005.

Finally, Interlott received a third order from the California Lottery for the purchase of 500 new 16-bin EDS ITVMs. This brings to 1,500 the total number of units purchased by the state during 2002. Interlott anticipates generating revenue of more than \$12 million from the three California orders.

Promo-Travel Obtains Pyramid Rights, Creates Retailer Rewards Program

Promo-Travel has signed an agreement with Sony Pictures to promote the new Pyramid® TV game Show to state lot-

teries. Sony reintroduced the popular game show this fall.

Promo-Travel has also created a points-based lottery retailer incentive program, Lottery Retailer Rewards. The program gives state lotteries incremental resources for achieving sales goals and rewarding retailers. Promo-Travel provides all elements of the program, including start-up prizes – typically trips or high-end merchandise.

Seiko Introduces Latest Technologies in Ticket Printing

Seiko Instruments has introduced the new PSA-66-2N and PSA-66VST ticket/coupon printers designed for a variety of applications including vending machines, lottery terminals, and gaming machines.

The PSA-66-2N eliminates paper jamming; offers high-visibility, high-speed ticket reveal, increased ticket capacity, and other features streamlining maintenance requirements. It also offers a large ticket capacity of up to 800.

The second new ticket/coupon printer, the vertical-profile PSA-66VST, fits into many machines that cannot accommodate standard horizontal type printers. Machine manufacturers will no longer be required to disassemble and reassemble a standard printer to fit the vertically oriented space configurations imposed by some machines. It offers easy drop-in paper loading for 400 tickets and a RS-232C communications port.

Both printers deliver speeds of up to 75 mm/sec. with a high print resolution of 8 dots/mm for quality printing of graphics. Additional features include paper replenishment indicators and ticket-jam and ticket-in-chute sensors, eliminating problems associated with improper paper loading and jamming.

Lebanon National Lottery Launches New Multi-Modes Editec System

La Libanaise des Jeu (LLJ), the new operator of the Lebanon National Lottery, has successfully launched its new computerized lottery system provided by EDITEC S.A. The EDITEC system supports a variety of modes of operation required by the old and new sales networks of the Lebanese Lottery, uniquely combining on-line real-time, semi on-line (store and forward), and off-line TPM 3000 terminals as well as pre-printed paper tickets points of sale. The pre-printed tickets are also generated, printed and managed by the EDITEC system.

The first game to be offered by the new system is a direct continuation of the existing Loto 6/42 with upgrades to revive the game and introduction of new games planned in the near future.

South Africa Selects Smartplay

Uthingo has contracted with Smartplay for two Criterion II® drawing machines, to conduct their upcoming Keno game. Having launched the National Lottery with the original Criterion in 1999, Uthingo will continue to use the model for Lotto. The Criterion serves twenty lotteries on four continents.

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Change Play Launches in Michigan

With the October 13, 2002 launch of Change Play in Michigan, Bersch Gaming announced the second U.S. lottery to license its patented online game that lets people use their change after any purchase to buy quick-pick lottery tickets in denominations from 25 cents to 99 cents.

The game capitalizes on the low value adults attach to change, and Bersch Gaming expects the game to create new players. Early results show sales are incremental and are not cannibalizing existing games.

The Georgia Lottery was the first to launch the game, in July 2002, under the Change Game trademark. Lottery officials in both Georgia and Michigan expect to raise millions in additional funding for their states' educational programs.

Louisiana Extends with OGT

Oberthur Gaming announced a two-year contract extension with the Louisiana Lottery for the printing of instant ticket games and related services. The contract will extend through October 2004.

GTECH Signs with California and Virginia, Extends with Oregon Lottery

GTECH contracted with the California Lottery to provide equipment and services for a new integrated online and instant-ticket lottery system, and telecommunications network. The six-year contract includes four one-year extension.

GTECH will replace the Lottery's online system with the Company's Enterprise Series™, and will replace the Lottery's current terminals with roughly 17,300 Altura® terminals. GTECH anticipates generating revenues of approximately \$300 million through the contract.

GTECH also signed a three-year field services and repair shop services contract with the Virginia Lottery, and a five-year extension to provide video lottery services to the Oregon Lottery. The Virginia contract is expected to bring in \$12 million, while the Oregon contract should bring in \$9 million.

TSX Suspension of Company's Listing

International Thunderbird Gaming Corporation (TSX: INB) announced the following update:

The TSX held a hearing on October 3, 2002 to review the eligibility for continued listing on the TSX of the common shares of the company. Following the hearing, the TSX announced that the common shares of International Thunderbird Gaming Corporation will be suspended from trading as of the market close on Friday, November 1, 2002, for failure to meet the continued listing requirements of TSX. The TSX advised the Company that its decision was based on two factors: (1) the Company currently fails to meet the market capitalization requirement of \$3,000,000 for its common shares; and (2) unsatisfactory operating results and financial condition.

Scientific Games Launches New Products

Scientific Games recently introduced several new products, including: SGI AccountPlay™, SGI Map™, SGI Aegis Mobile™ and SGI Aegis Mobile Map™.

SGI AccountPlay is a prepaid lottery account system allowing account holders to play state-sponsored lotteries over the phone. SGI AccountPlay cards and vouchers, sold only at authorized lottery retailers, let people play lotteries anywhere, any time (where permitted by law).

To replenish accounts, customers simply buy new cards or vouchers. Winnings are credited to the account and can be claimed by presenting the card or voucher to a retailer.

SGI Map, SGI Aegis Mobile and SGI Aegis Mobile Map enable lottery professionals to analyze and project lottery sales by location, game, and many other variables, to maximize game management. SGI Map is a web-based tool giving lottery pros access to an enormous database of historical sales information. Aegis Mobile allows communication concerning instant ticket and on-line sales data for each retailer on a PDA (Personal Digital Assistant) or laptop. Finally, Mobile Map is available to create a visual representation of sales data. This map-based interface displays the desired data in a geographical format so the data, in combination with other relevant information, can be analyzed to determine key metrics such as optimal delivery routes, frequency of store visits, and problem locations.

Win TV Launches First PC-Operated Daily Game Drawing Machine

In June, WinTV, the drawing department of Editec, has introduced the PC-Operated version of its very successful Topaze number game drawing machine. The Topaze, dozens of which have been supplied over the last 3 years, now integrates a PC-controlled automate which enables the programmable automation of all drawing sequences. The upgraded Topaze offers WinTV's unique Automatic Recognition System® of the drawn balls as well as drawing balls security and management software.

The first 2 machines have been supplied to Nanjing lottery in China. Orders for 6 automated Topaz have already been received from SAZKA (Czech Republic), Austria (Österreichische Lotterien) and Guinee Games (Guinea).

ILAC de Guatemala Seeks New Video Lottery Subcontractor

ILAC De Guatemala, S.A. is seeking a new video lottery subcontractor for its Guatemala video lottery salon at the convention center associated with the Westin Camino real hotel in Guatemala city, Guatemala. ILAC has more recently opened video lottery salons in the Holiday Inn and Ramada hotels in Guatemala city and plans to open salons in three additional hotels outside of Guatemala city shortly. e-mail: ilacs@guate.net. ■



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of individual solutions and open systems. And our service will be right behind you worldwide when you pick up the pace. One more thing: you'll still be in the lead tomorrow, because our hardware and software solutions are expandable. So team up with Wincor Nixdorf - a partner who will keep you out in front. Check us out. Call us for more information at **Phone: +49 7531 942 26-0** or visit our website at **www.wincor-nixdorf.com**

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Patent Pending

A look at lottery innovations with Iowa Lottery Commissioner Dr. Ed Stanek, one of the industry's most prolific inventors.

Change is essential for the Lottery business because we're, for the most part, involved in entertainment. When we stop entertaining our customers we'll stop selling tickets. It's obvious that entertainment media require constant change. Take the television industry – the number one rated show is only number one for a few years. That programming has to be replaced by something else – generally something completely different in order to attract the consumer's interest.

Fortunately, the lottery industry is currently blessed with one of its most prolific instigators of change – Iowa Lottery Commissioner and WLA Senior Vice President Dr. Edward Stanek. Stanek, who is the lottery industry's senior tenured lottery director, is credited with being the inventor of Powerball, and while that may be one of his more notable achievements, it is merely one flower in a bouquet of innovations that Stanek has spirited.

A History of Lottery Change

Throughout history, as lotteries become more involved in providing entertainment to their customers, ticket sales grow sharply.

Back in the 1500s when the Italians were picking the members of their Senate, they began entertaining themselves by placing bets on which of the senators would be drawn in a lottery to take office. In general there were ninety candidates, and five were chosen at random by virtue of a drawing. Eventually, lottery operators replaced senators names with numbers, allowing the drawings to take place more frequently. Even in 1535 Genoa the entertainment aspects of the game were becoming known to the consumers.

Lotto games have long been run by hand, and it took lottery staff a great deal of time to match the numbers bet by customers with the numbers being drawn by the lottery. With the advent of computers that all changed.

The first online lotto game was unveiled in New Jersey in 1971. The ability to quickly determine whether someone had won a drawing was important because it allowed the top prize for the next drawing to be advertised. Now, the increased efficiency of computers has allowed drawings to take place as often as several times a day (think five-minute Keno).

In the same decade that the computer revolutionized the online Lotto-styled game, another innovation occurred that



drastically changed the Lottery landscape – the scratch ticket. Until Dan Bower and John Koza invented the instant ticket, most lotteries in the U.S. were offering traditional games. This style of game quickly became extinct in North America after Bower and Koza formed Scientific Games and marketed the first instant in the early 1970s. The ability to market a secure product that was able to instantly determine winning status led to

a significant escalation in the entertainment value of lottery product. Sales escalated drastically.

MUSL

The German Lotto Bloc in 1973 proved that it was possible for multiple jurisdictions to create a common game and share a prize pool. Shortly thereafter, Canada's Olympic Lottery Corporation reinforced that fact, and in 1974 Canada followed up the COLC with the Interprovincial Lottery Corporation. Oddly enough, significant multi-jurisdictional games weren't implemented by any other lotteries until 1985, when a group was formed in Australia, and Tri-State Lotto (Maine, New Hampshire and Vermont) formed in the U.S.

Together, these groups posed a model for the Multi-State Lottery Association (MUSL), which formed in 1987, and eventually took the multi-jurisdictional format to new heights. MUSL is the largest organization of its kind – determined by number of members (24 U.S. Lotteries), consumer population (90 million) and perhaps even by total sales because of the number of products that are involved.

Headquartered in Des Moines, Iowa, Ed Stanek was one of the partners who originally organized the group. Starting with only six U.S. states, MUSL expanded to seven within a couple of weeks, and now 24 active members sell tickets, the latest of which was South Carolina. The consortium allows lotteries to capitalize on more than just large jackpots.

"Using something like MUSL allows us to combine the power of a number of small lotteries to put together large jackpot prizes that capture the imagination of consumers and much of the press, but it also gives us an opportunity to save on expenses," commented Stanek. "Instead of a number of jurisdictions, each doing independent drawings, one drawing is conducted for the benefit of all and some of the expenses that would normally be involved to ensure that the draw could be televised across the entire area where tickets are sold becomes something simpler... And, because of the amount of money we're

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putting together we're able to leverage financial transactions to maximize returns on short term funds, to such an extent that the organization actually makes more money for each of its partners than is required of the partners to pay as their share for the administration of the organization on an annual basis."

MUSL's first ticket sold in the U.S. in 1988 with a game called Lotto*America. Drawing weekly and utilizing a pick-7 concept – something new to the U.S. – the game capitalized on the financial advantages mentioned earlier but didn't produce the size jackpots desired. After the initial fizzle, it was determined that customers don't like Pick 7 games if there has been an experience with picking six numbers. As a result, MUSL changed the game to a pick-6 format, went to twice-a-week drawings, more than doubled sales, and expanded the number of partners until 1992 when another innovation was born – Powerball.

While Stanek is credited with being the inventor of Powerball, he is quick to admit that he had help. "The concept for Powerball, and the development of the prize structure was done by Steve Caputa and myself. Although I am commonly given credit as the inventor of Powerball, there were really two of us and some great staff support."

Powerball was a brand new game combining two games – a Pick-5 and a Pick-1. The advent of the combination allowed MUSL to do something lotteries weren't able to do before – have very large jackpots and many different prize levels. Instead of the typical three or four prize levels, Powerball allowed nine prize levels, all while allowing overall odds of about 1 in 35 and generating jackpots in the hundreds of millions of dollars.

The organization now has 24 members selling tickets and did over \$2.25 billion in sales in this last year.

The game has been so successful that other games are based on it. Powerball was not patented, which, Stanek admits, was a big mistake. Such a patent would have allowed some additional strategic positioning of the product. Other games based on the concept include: Thunderball in the U.K., the Australian version of Powerball, Super Lotto Plus in California, the Big

Game in the U.S., and its replacement game, Mega Millions.

The World's Game

In 1993 multi-jurisdiction went beyond the borders of an individual country with the start of Viking Lotto. Viking Lotto had five members: Sweden, Finland, Norway, Denmark and Iceland – they later added Estonia. The game was able to convince a number of lottery professionals that such an innovation could be taken to another level where language and currency differences could be taken into account in a common game being shared by all.

Presently, there are significant innovations taking place to help make that happen, and much talk is being made of the potential for a worldwide game benefiting the U.N. being coordinated and run by the WLA. Still, much needs to be worked out before that game, or even any discussion of the development of that game, can be made public.

Iowa's Innovations

In 1987 the Iowa Lottery became the first U.S. lottery to sell pull-tab tickets. Because the pull-tab play style is different, and because the tickets can be even cheaper to print, different kinds of prize structures could be attached to them. Although scratch tickets historically sold for \$1 apiece, pull tabs could be sold for \$.25, \$.50 or \$1. The prizes were generally smaller, but the format allowed a higher payback and more frequent winners. The product did very well in Iowa, and its introduction produced no cannibalization of scratch products.

Greeting Cards

In 1989 Stanek came up with an idea to sell actual lottery tickets printed as greeting cards. The product was launched during the winter holiday season, and sold for \$5 apiece. Each was a guaranteed winner of at least \$2, and the prize structure allowed for a reasonable number of \$1,000 prizes. Unfortunately, the product wasn't able to become successful.

"Although they were very popular with the consumers, they were not as popular with retailers," stated Stanek. "It was before the time that instant ticket validation had been developed, it was before the time that we had better controls on thefts of lottery products, before the time that we had lottery vending machines, and as a result a lot of retailers were shy about carrying the product because they knew each one was good for at least \$2 cash. They knew that grabbing a handful of these cards was the same as grabbing a handful of cash."

Extended Play Tickets

One of the most important innovations Stanek instigated has to do with price points. Up until 1992 nearly all scratch tickets were \$1. The Iowa staff realized that if they weren't able to increase the price of the ticket, the increased cost of manufacturing the product would mean that profit margins would be cut significantly. Somehow customers had to be convinced that a higher price point meant they were getting more for their money.

At first the Lottery experimented with fractional ticket

MUSL Development

In addition to Dr. Stanek's positions with the Iowa Lottery and the WLA, he is also chairman of the Multi-State Lottery Association (MUSL) Development Committee. All new product ideas, enhancements, and promotions for MUSL come out of that committee.

In addition to some exciting matrix changes that were recently implemented, the committee developed the tack-on PowerPlay game which for an additional dollar Powerball players have a chance to multiply all except their jackpot prize by 2 to 5 times. With little promotion, it brought in \$83 million last year and has been particularly successful for the states that have started with the feature. It has added 30% to Colorado's Powerball income and has added about 20% for Pennsylvania and South Carolina. ■

prices. They took a \$1 product and charged \$1.35 for it, putting all additional money toward prizes. Again, consumers loved it, but retailers didn't. They were concerned that if they accidentally sold a \$1.35 ticket for \$1 they would have to absorb the loss. Again, that was before the modern bar coding of lottery tickets, and a problem that might not exist today.

Nevertheless, at the time it became obvious prices would have to increase in an incremental fashion, and that the ticket had to have added value. The Lottery began referring to these tickets as "extended play" tickets. The first attempt was a Bingo game developed by the ALC.

"I remember studying their (ALC's) demographics and the Iowa demographics and deciding that it was something we wanted to try in Iowa," Stanek mused. "So, I was going to take the risk and be the first in the U.S. to try this new \$2 product, hoping that people who were Bingo advocates would be interested in buying a ticket based on a Bingo concept."

"I had difficulty convincing ticket suppliers that they should print this new ticket which would have a more complex play mechanism and require the ticket to be much larger than the normal 2-by-4 inch scratch ticket. Our supplier at the time said they were going to have to invest about \$20,000 into new perforation cylinders to perforate the tickets in different places. They preferred not to make that investment and basically said they weren't willing to do it under our contract since our contract didn't specify doing something out of the norm. I managed to convince another supplier to pick up where the other was going to leave off, and that message getting back to our principal contractor convinced them to change their minds."

Of course, the game not only sold well, the overall concept went on to change many lotteries' strategies concerning instant tickets. For the last year, the 16 U.S. lotteries that had the highest increase in scratch ticket sales had the highest percentage of \$2, \$5, and \$10 products relative to their \$1 scratch ticket products.

TV Game Shows

"Because we're closely affiliated with the entertainment business it was logical that at some point we would look at doing television game shows," said Stanek while referring to a project that began in the early 1990s called The Lottery Innovations Cooperation.

The LIC was a not-for-profit affiliate of MUSL that combined a number of lotteries to collectively offer a multi-state television game show based on lottery tickets. For a variety of reasons, many of which involve the inability to create a show concept worth pursuing, the project never really took off.

A number of television game shows have done relatively well for lotteries, and three years ago MUSL developed a concept for "Powerball – the Game Show."

Keeping with the concept of change, the Powerball game show has gone through another stage of evolution and is now called "Powerball Instant Millionaire." In its third season, production for the show has moved from Hollywood to Las Vegas, a move that, for a variety of reasons, looks to save approxi-

mately \$1 million in production costs for the partners.

The decision to move wasn't taken lightly, and MUSL did more than consult accountants when making the decision. "We actually did surveys of the contestants and over 95 percent chose Las Vegas as their No. 1 destination. John

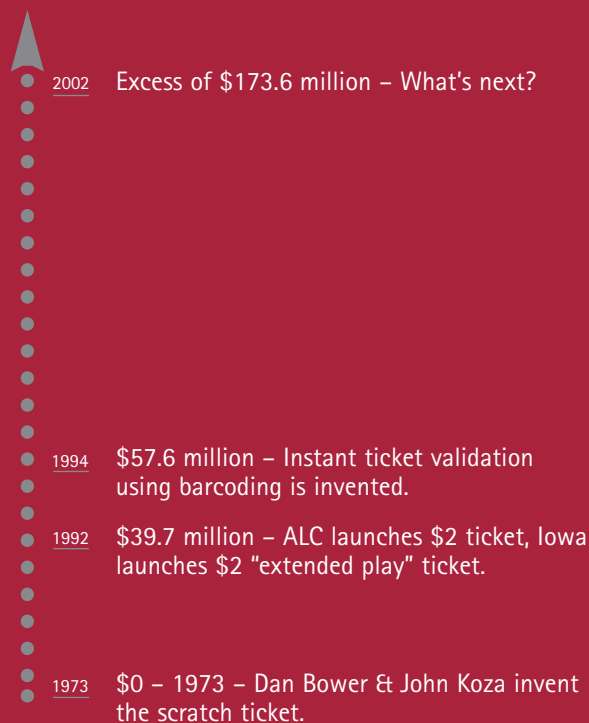
Bar Codes

In 1994 something occurred that allowed many ideas to go from a simple genesis to producing hundreds of millions of dollars for the industry – instant ticket validation using bar-coding. Once encrypted bar codes were put on tickets it made it possible for customers to cash in their winning ticket at any retailer. The innovation gave retailers the confidence to know that tickets from other locations hadn't been stolen.

Bar codes also allowed an additional level of financial management cooperation with retailers because it meant that tickets could be delivered at any time, but they didn't have to be activated until the barcodes were scanned and sent via computer to lottery offices or suppliers. Tickets could be accepted in larger numbers, yet they wouldn't have to be paid for until they were finally activated.

Finally, if the tickets happened to be stolen before they were activated they had no value because they couldn't be cashed at any lottery retailer. Attempts to cash stolen tickets could be tracked by lottery security, and in some instances lotteries have been able to track people who have stolen tickets from one retail location to another, and have local authorities waiting for them when they get to the next retail location down the road. ■

Instant Sales since 1973 – \$173,573,000,000



Musgrave from West Virginia is doing a splendid job of chairing the project," Stanek said.

Pull-Tab Machines

Video lottery is not legal in Iowa, but the Lottery is looking to similar technology that is not directly machine driven to enhance the entertainment value of games that are already offered. The Lottery is exploring using video pull-tab machines where encrypted barcodes on the pull-tabs can be read as the tickets are dispensed, allowing the machine to create sight and sound for entertainment on a video monitor associated with the machine. Currently, no lotteries in the U.S. are using the machines.

Whereas with video lottery, the machine itself determines whether or not the player wins or loses on a particular play, the pull-tab machine uses video and sound but doesn't determine winning or losing in real time.

Drawings would be done in advance, as with the printing of scratch tickets or pull-tab tickets. The machine would then use electronic mechanisms for that predetermined group of tickets and display results on the video monitor as the tickets are dispensed.

Stanek commented, "We feel we can add a lot of entertainment value – not as much as video lottery can – but a lot of entertainment value to the dispensing of the tickets to the point where the products can be much more in tune with modern day technology and customer expectations."

Looking to the Future

It would take several more pages to cover the rest of the innovations that Dr. Stanek has had a hand in: Black Jack styled scratch games and the use of EFTs for funds transfers between lottery and retailer, to name a few. The fact is, a great innovator is always looking ahead. It isn't enough to just look at consumers and try to guess what they want next. Everything has to be taken into account. Politics, the economy, trends outside your industry can all provide telling factors as to what will soon be the rage. Knowing that Dr. Stanek is a man with such vision, PGI asked him to point out a few items looming on the horizon that he felt might become bigger players in the next few years. He answered that video lottery and computer games offer a lot of promise.

Only a handful of lotteries now run video lottery systems, but the financial situation of 45 states out of the 50 means

that budgets are looking for additional money. That may pose new opportunities for some states to try video lottery.

Meanwhile, Ingenio is looking to deliver CD-ROM game entertainment without the use of the CDs – delivering that entertainment over the Internet. "As we wait for bandwidth to be broadened into households across the country there are other forms of compression technology making it possible to deliver lots of video and sound through more conventional means over the Internet," Stanek said. "Looking across the horizon, I see not only that product but electronic lottery tickets being developed. There's been quite a bit of controversy over whether or not Lottery tickets should be sold over the Internet. There are a number of jurisdictions in Europe that are doing it right now: Sweden, Norway, Finland, Austria, and others."

"In North America, we have been thinking of mechanisms to sell tickets conventionally at retailers to verify age requirements and make sure that credit is not used, and then deliver the product at the customer's convenience to their computers to be played. I think these innovations are going to take place a lot quicker than a lot of people in this industry might expect. I would imagine seeing them in the U.S. sometime within the next year or two."

In addition to these ideas there are new systems being developed for lottery purchases via telephone and PDAs. Dr. Stanek said that while some of the ideas tried in Iowa may have been ahead of their time, "doing a replay now with modern technology and more retailer acceptance would lead us into having some significant new income streams."

With today's open standards there will be attempts to link lotto terminals in stores to standard electronic cash registers. The barcode reading and accounting functions for a store's total inventory will not require a clerk to use a special piece of equipment other than a secure printer to issue a ticket at the point of purchase.

There may even be kiosks to allow Internet long distance phone calls and dispense phone cards along with self-service lottery purchases. There will be attempts to make lottery sales more available and convenient in non-traditional venues– perhaps even using ATM machines.

Finally, as microelectronics moves into new applications, it would not be surprising to find interactive electronic lottery games housed in credit card size disposable containers for the ultimate in portability. ■

Surveys

With the advent of the Internet, as more customers learn to find lottery web sites, many lotteries have been able to rethink some of the old information gathering methods.

MUSL's Powerball site is seldom out of the top 20 sites in the world in terms of traffic, and record jackpots usually lead to the site being the No. 1 visited web site in the world. The site links to the various Lottery partners, and some, including Iowa, have been able to use this extensive traffic to perform market research and do surveys.

This ability has changed the art of surveying customers from being a process involving several months and severe costs, to being able to obtain a statistically significant sample in just a few days at a fraction of the cost. It's much more efficient, it's timely, and it's more targeted. ■

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Top Performing Ticket Themes

Ticket themes – some work, some don't. It would certainly be easier if the themes that worked or didn't work did so universally, but that isn't the case. A theme that is the most popular in one jurisdiction may sell terribly in another.

Public Gaming International recently did a survey to find out what themes performed the best in certain jurisdictions. We also thought it would be interesting to find out what restrictions on themes, if any, these jurisdictions had to adhere to. Finally, we also asked these jurisdictions if they've offered licensed products, and if they have, how they've performed compared to the more popular themes.

Of course, the results, were mixed. The most popular themes varied greatly, and while only four out of the twenty-six respondents were restricted in the themes they could offer, some lotteries noted self-imposed restrictions. But, the greatest differences in opinion came when lotteries that have offered licensed products commented on their results. Some immediately claimed them as their top sellers – one said they sold poorly. Some say they didn't sell as well as other product, but they like them because of the variety they bring to the instant mix; while one lottery commented that they have had success with licensed products but don't like some of the contractual aspects that come with the games.

We've provided the results of our survey in a table, and compiled the answers from each Lottery in paragraph form.



Atlantic Lottery

Crossword is the theme that the Atlantic Lottery has experienced the most success with, and as such the lottery offers two to four tickets within this genre at all times. The tickets sell for \$2 and \$3, with the \$2 price point being the most popular.

The ALC faces no restrictions in regards to ticket themes.

The Lottery has offered licensed games, and states that they've performed average in comparison to the Crossword theme; though, Slingo has performed exceptionally well.

Belgian National Lottery

The Belgian National Lottery hasn't run a series of tickets within a theme. What they do offer is Win for Life, SuperFun (about money), Corso (a voyage), and Cabrio (cars); but these are all purely distinct instant tickets.

The Lottery does not face theme restrictions in regards to their tickets, and while they do not offer licensed games they are planning to use licensed games in the near future.

Bulgaria Sports Totalizator

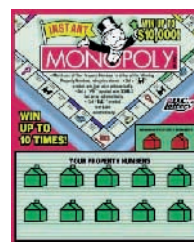
BST's most popular ticket theme is sports themed tickets. The Lottery typically has one or more of these games being offered at all times. BST does not have to adhere to restrictions with their ticket themes, and they do not offer licensed games but are considering discussing the possibility in the future.

Camelot (UK)

Camelot's most popular ticket theme is a tie between cash themed tickets and whimsical tickets (humorous light-hearted theme). The Lottery typically offers one or two of each theme at any given time. Whimsical tickets are always offered at the £1 price point, while cash themed tickets come at both the £1 and £2 price. The £1 price point performs the best in both instances.

Camelot is restricted in the ticket themes they can offer. They are not allowed to offer tickets within the casino, slot machines, hard gaming card or dice themes, or any other themes which might appeal to children under 16.

The Lottery does offer licensed games, and they have experienced stronger sales performance with these types of games, but all licensed games to date have received above the line marketing support (primarily TV) whereas cash and whimsical themed games would not normally receive that support. Due to the fact that the cash and whimsical themes don't need that type of support to perform, the Lottery considers them the most popular themes.



DC Lottery

The DC Lottery gets the best results from multi-game gambling themed tickets (casino, card, dice), and typically offers ten or more of these types of tickets at a time. The Lottery has offered these types of games at the \$1, \$2, \$5 and \$10 price points, and is launching a \$20 game in November. Of these price points, \$1 is still the most popular.

DC is not restricted in the ticket themes it can offer, and has offered licensed products to their customers. Licensed products sell very well in DC, with some games (especially Monopoly) selling better than most other products.

Florida

The Florida Lottery has seen the most success with money and cash themed tickets. The Lottery typically offers ten or more tickets within this theme, selling at the \$1, \$2, \$5, and \$10 price point (\$2, \$5, and \$10 do better than the \$1).

Florida does offer licensed tickets. While the licensed games maintain an average performance level, money and cash themes perform above average.

The state does not restrict the Florida Lottery in respect to gaming themes.

Hoosier

Gambling is the most popular theme for the Hoosier Lottery. The Lottery typically offers ten or more tickets within this theme at a time, selling at the \$1, \$2, \$5 and \$7 price points – \$2 and \$5 are the most popular.

The Lottery uses licensed games to add variety and offer players something different with the merchandised prizes, but the licensed games index much lower than the more popular games.

The Hoosier Lottery is not restricted in the themes it can offer.

Interkantonale Landeslotterie (Switzerland)

Interkantonale Landeslotterie has found great success with gambling themed tickets because their customers want to win, win, win... Millions! The Lottery typically offers between 10 and 12 tickets within this theme at a time, ranging in price between CHF 1 and CHF100 (USD 0.65 up to USD 65) – CHF 10 is the most popular price point within this theme.

The tickets are tear-open, with a winning quota of 1:3 (minimum winner – CHF10; maximum winner – CHF 250,000). One out of every three tickets is a coupon to participate at a later drawing during a very popular TV-Show, where players can choose between different prizes (cars, journeys etc.) or 1 Million Francs (USD 650,000).

While the Lottery is not restricted in offering particular themes, they are legal difficulties surrounding the use of licensed tickets. As a result, the Lottery is not considering using licensed products in the near future.

Kazakhstan

National culture and heritage are the most popular ticket themes for the National Lottery of Kazakhstan. The Lottery produces one series of tickets for the game, Treasures of Kazakhstan, featuring five different pictures and selling at the 50 tenge price point.

While the Lottery does not face any theme restrictions, it

is their policy to not utilize aggressive or evil themes, such as the Devil or the like. The Lottery does not plan on examining the possibility of licensed products in the near future.

Kentucky

Bingo has been the top performing theme for the Kentucky Lottery Corporation. The KLC typically has one ticket in this theme selling at a time, and while these games generally sell at the \$2 price point, there have been occasions on which they've sold for \$1.

The Kentucky Lottery does offer licensed games, and stated that licensed tickets are their top performers.



Michigan

The most popular instant ticket theme for the Michigan Lottery is money, followed closely by casino. The Lottery typically offers five to nine tickets within these themes. The games are sold at the \$1; \$2; \$5 and \$10 price points, and while more \$2 price point money-themed games are sold than any other price point, the Lottery is quick to point out that they offer more \$2 games than any other price point.

The Lottery is restricted from selling tickets that utilize actual sports figures.

Michigan does offer licensed games, and the "best" licensed property games have sold better than the best-selling \$1 and \$2 money games, comparable to the \$5 money games, and less than the \$10 money games. However, the Lottery's licensed property games typically sell at the \$3 price point so they are bound to perform better than the \$1 and \$2 games.



Montana

Winter Holiday game themes perform the best for the Montana Lottery, but this theme is followed very closely in sales by Crossword themed games. The Lottery typically offers one of these themes at a time, with Winter Holiday games selling at the \$1 price point and Crossword selling for \$2.

Montana is restricted from using any gaming theme featuring a style of gambling that is illegal in the state.

The Lottery will soon be launching their first licensed games: Slingo in November and Beetle Bailey in May, 2003.

New Zealand National Lottery

The New Zealand National Lottery's most popular ticket theme is Crossword, accounting for about 25% of total Instant Kiwi weekly sales. The Lottery sells one Crossword game at a time at the \$3 price point.

New Zealand does not have specific restrictions on



themes used but the Lottery works to ensure that tickets reflect the market of consumers over 16 years of age. The Lottery also strives to avoid themes which would be considered gambling or offensive.

New Zealand has yet to offer a licensed property ticket, but is considering its options in this area.

Norsk Tipping

Norsk Tipping's match 3 of 9 Flax games perform the best of their instant products. The Lottery offers one game of this style at a time, selling at the 20 NOK price point.

Norsk Tipping is not restricted in the types of game themes they can offer, and while they have yet to offer a licensed product they are considering the prospect.

Ohio

Money themes, especially doublers, top the bill at the Ohio Lottery. The Lottery offers ten or more of these games at a time, with price points ranging between \$1 and \$10 – the most popular price points are the \$5 and \$10.

The Lottery offers licensed products, and while these products don't typically perform as well as the games featuring the money theme, the Lottery feels they are an important product because of the variety they add to the product mix. Ohio doesn't face any game theme restrictions in regards to their instant tickets.



Ontario Lottery

The Ontario Lottery sites Bingo/Keno/mechanic themed games as their most popular. The Lottery typically offers one Bingo, one Keno and occasion-

ally one additional variety game at any given time, and sells the games at the \$3 price point.

Ontario faces no gaming theme restrictions, and has been known, on occasion, to offer licensed products; but these products typically sell at a lower rate than the aforementioned themes.



Oregon

Crossword is the most popular themed game for the Oregon Lottery. The game is offered in both the \$2 and \$3 price points, and each share a measure of popularity with the players.

In addition to the Crossword theme, the Lottery offers an array of licensed games and several gambling themed tickets.

Typically, Oregon will have as many as four gaming themes on the market at a time (the gaming theme is their second

most popular theme) at a variety of price points between \$1 and \$5. The lottery has also offered gambling themed licensed tickets, including Caesars Palace and Caribbean Stud Poker. The Lottery is not restricted in the game themes it can offer.



SA Lotteries (Australia)

Animal themed tickets tend to be the most popular with players of the South Australia Lotteries. The Lottery typically offers two to four tickets within this theme, ranging in price between \$1 and \$2 (\$1 is the most popular price point).

The Lottery faces no restrictions on gambling themes, but has developed all of their themes based on the principles outlined in their Advertising and Point of Sale Corporate Policy to ensure that they are mindful of their social responsibility in the promotion of games.

SA recently launched its first licensed game on October 16.

Saarland-Sporttoto GmbH (Germany)

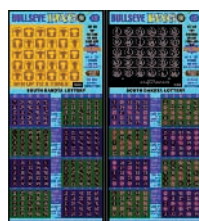
Saarland-Sporttoto's most popular game theme is called "Sternenglück". The Lottery typically offers 2-4 different tickets within this theme at one time, with price points varying between 0.50 to 1 Euro – 0.50 Euro is the most popular within this game.

Saartoto does not offer licensed games, and is obligated to obtain approval from their judicial authority for all new instant ticket themes.

SAZKA, a.s.

SAZKA has found much success with Zodiac themed games and any other theme that deals with a person's date of birth. The Lottery is currently offering two tickets within this theme (Horoscopes II and Lucky Number), each costing CZK 20.

SAZKA is not restricted in any of their gaming themes. They do not offer, and are not considering offering licensed tickets.



South Dakota

South Dakota has found much success with an old familiar lottery theme – Bingo. The Lottery typically offers two to four tickets within this theme at any given time. Price points for the theme are \$2, \$3, \$5, and \$10, with the \$5 tickets being the most popular.

The Lottery faces no restrictions within the themes they can offer, and has offered licensed products in the

past that have sold below the level of their most popular themes.



Westdeutsche Lotterie (Germany)

The Westdeutsche Lotterie offers two tickets at a time per year. One is a gambling themed ticket entitled Las Vegas; the other can be a variety of themes – it changes four times per year. The Las Vegas ticket is available all year because it's the most popular. The price is 0.50 Euro.

The Lottery faces no theme restrictions on their tickets, and has offered licensed products in the past – a monopoly game. The Lottery stresses that the performance of the monopoly game can't be compared to the Las Vegas game because of Monopoly's unique price of 2.5 Euro.

Szerencsejáték Rt – The Hungarian Lottery

The Hungarian Lottery experiences the greatest amount of success with their gambling themed tickets. They offer four tickets within this theme: Black Jack (100 HUF), Ace Black (200 HUF), Monte Carlo (200 HUF), and Casino (150 HUF). The most popular of the above mentioned games is the Black Jack ticket, being offered at 100 HUF.

The Hungarian Lottery is not restricted in the themes they can offer on tickets. They do not offer licensed games and are not considering using them in the near future.

West Virginia

The most popular game themes for the West Virginia Lottery are the whimsical and money themes. The Lottery typically offers ten or more within these themes at a given time, and while price points stay in the \$1 and \$2 range, the \$1 tickets are the most popular.

West Virginia is not restricted in the themes it can feature on instants. The Lottery has offered a licensed games in the past, but it did not perform well compared to the whimsical and money themes.



Georgia

Money themes perform the best for the Georgia Lottery Corporation. The GLC typically offers ten or more of these types of tickets at a time, running them at the \$1, \$2, \$3, \$5 and \$10 price points. The \$2 and \$1 tickets perform the best.

The Lottery faces no thematic restrictions on instant tickets, and does not offer licensed products.

Western Australia

Western Australia Lotteries is not restricted in the ticket themes they can offer, but they tend to not go too "heavy" on

the gambling themes. The Commission has this year introduced another component to its Crossword game – an extra "bonus word" play panel. Since the introduction of this "bonus" area the sales for this game have grown by \$150,000 per week.

The Lottery tends to do cute, fun themes at the \$1 level and soft gaming themes at the \$2 price point. Casino style games aimed at high rollers come at the \$4 price point, while \$5 game themes tend to be travel or gift based as this price point is traditionally used for gifts and promotions. The \$3 and \$4 price points tend to be the most popular.

The Lottery prints and markets three short run fun themed games each year at the \$3 price point. These games include some licensed products (ie: Operation), but tries to stay away from licensed products: they are not fans of the process of signing off on a licensed product, especially when companies want final say so on ticket design and marketing activity associated with the game launch.

The Lottery has had mixed results with licensed products. Operation worked well for the Lottery, and initial sales of Monopoly were terrific. Unfortunately, due to restrictions on ticket changes, players did not continue to purchase, even though a new ticket pool had been issued.



Wisconsin

The Wisconsin Lottery's most popular ticket theme deals with gaming (dice, roulette, cards, etc.). The Lottery typically offers five to nine games in this theme, and while price points range from \$1 to \$5, the \$5 tickets are the most popular.

The Lottery has also found success with licensed games, including Beetle Bailey, Tabasco and Elvis.

Still, the licensed games have yet to perform as well as the gaming themed tickets. The Lottery is not restricted in the themes they can offer. ■

Survey Results (26 respondents)

Is your Lottery restricted from offering tickets that utilize particular themes?

Yes – 15.4% No – 76.9% No Response – 7.7%

Has your Lottery offered licensed games?

(Lotteries launching their first licensed product this fall are counted as a no)

Yes – 57.7% No – 42.3%

How have licensed products performed compared to your more popular game themes?

Very Well – 20% Not Very Well – 20%

Mixed/Unable to Compare/Use for Variety – 60% ■

WLA Preview

Welcome to Adelaide! Well, at least some of you will be reading this magazine at the WLA conference. If you are, some vendors were kind enough to send Public Gaming International a preview of what would be at their booths. Be sure to stop by and check them out.



Cirsa Interactive: Get to know the Newcomer

Since 1978 Cirsa has been developing illusion and entertainment. Over the years, the company has known how to integrate different kinds of gaming with family and interactive leisure becoming one of the world leaders in this sector.

Cirsa is a solid structure made up of over 9,500 employees serving some 4,500 customers around the world. The corporation runs 200 companies distributed in 4 continents and 44 countries all dedicated to the creation, manufacture, marketing and management of products and leisure centres.

21st century society presents enormous challenges. We are faced with a social and cultural environment which is in constant evolution, where our clients tastes and preferences are changing all the time. The new technologies bring us infinite possibilities when applied to the leisure industry. As a result Cirsa has responded quickly investing in the technological capacity, which enables us to develop cutting edge products and patent and register a large number of new systems and applications.

In the year 2000, Cirsa Interactive Corporation was born. This new area of Cirsa was created with the aim of designing and planning the recreation of the future. The new division runs four different core business areas, instant lotteries, interconnected bingos, online central gaming systems and gaming software for the Internet, interactive television and mobile devices.

The software applications are developed by a team of more than 100 engineers in an R&D department devoted exclusively to this area. The games work with video lottery touch screen terminals offering instant prizes.

The interconnected bingo represents a new way of playing this traditional game. Cirsa Interactive has developed different versions of interconnected Bingo for different world markets.

Cirsa Interactive's online central gaming system is unique in the industry and can integrate all platforms; the system is scalable and offers high performance, security and reliability.

The Internet gaming software, as represented by Cirsagames, currently includes the casino suite as well as

several skill games. These casino games which can be enjoyed at www.casino4fun.com have been developed with the state of the art Java J2EE and XML technology, offering easy access from any Internet browser.

Intralot

Following a highly successful 10-year period of rapid growth, Intralot has secured an important position in the international market. Having extensive know how, excellent high tech product development specifications and vast experience in the organization and operation of lottery games, Intralot has the capacity to offer effectively and with absolute security, integrated solutions custom made to its clients needs.

The CORONIS line of retailer lottery terminals is designed to meet the rigorous requirements of the rapidly evolving gaming industry. Responding to player demand for new exciting games and enhanced entertainment value, the CORONIS terminal offer advanced services, including player self-service capabilities and a variety of magnetic card application options. Flexible and adaptable, CORONIS terminals allow operators to explore new business opportunities, adopt emerging technologies and expand their custom base.

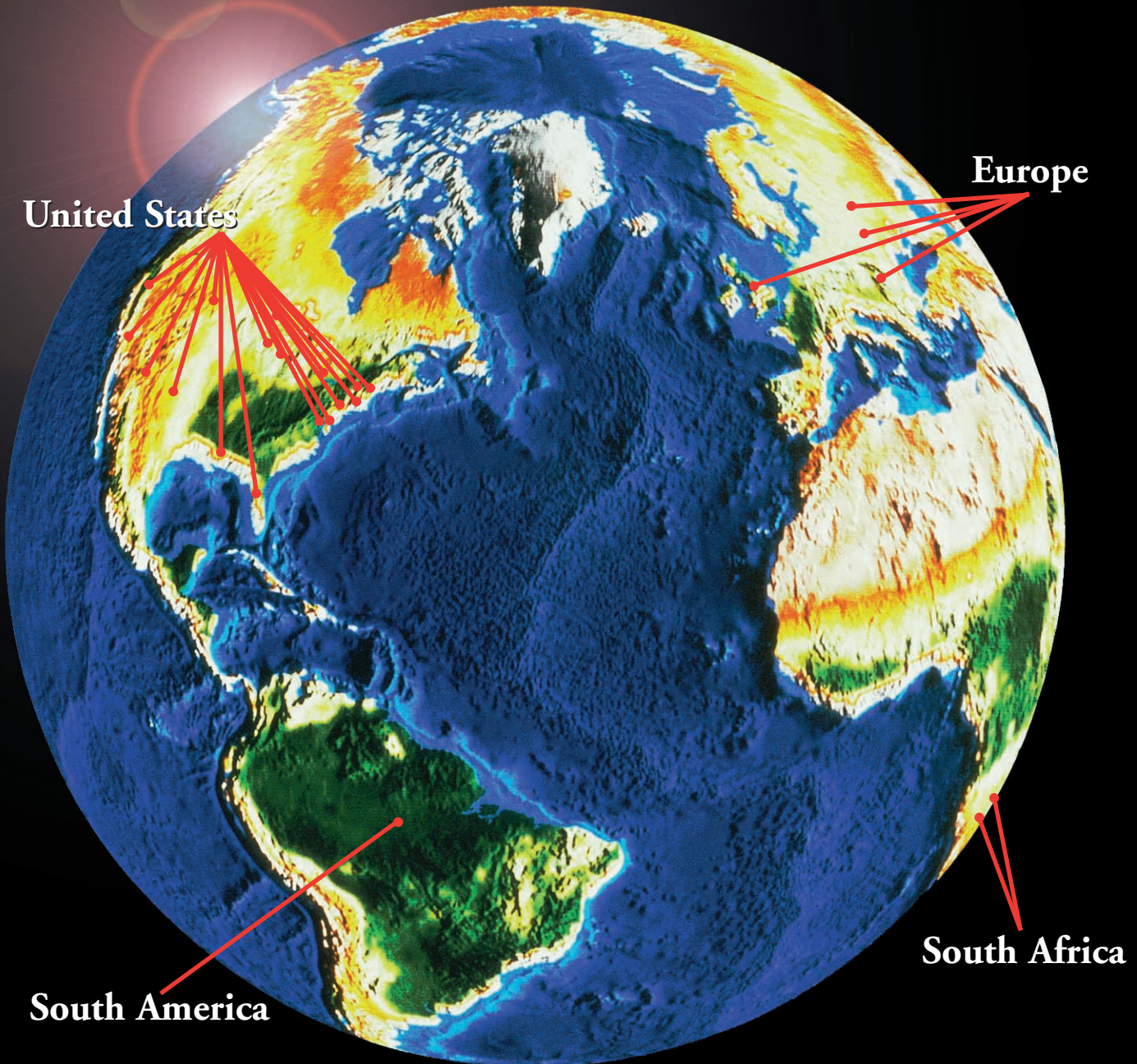
Additionally, Intralot offers ATRIS, a high quality line of reliable, high performance terminals that fully satisfy both agent and player requirements, making them an excellent choice for any client. The terminal equipment meets the requirements of highly developed and mature markets, both in terms of the organization and operation of on-line lottery games, and in terms of the real time management, scanning and validation of traditional and instant lottery tickets or other pre-printed form of games.

Intralot has also designed and developed the Helios Vegas, an innovative system, managing and transmitting data and live video to sales points, as well as offering real time information on the progress of gaming events a prerequisite for both contemporary



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See you in Adelaide!

Creating Lottery Customer Value On The Internet

Bob Kowalczyk, SVP and GM, MDI Entertainment

"Thanks for a fun thing to do on a wet, damp evening."

"Great website all around!!! Very simple to enter drawings. Well Done."

"What a GREAT idea!"

They come from people with email identities often reminiscent of the CD radio "handles" of the past: BeeHive, Swim4me, LadyDragon. What they have in common are expressions of appreciation – unsolicited, from-the-heart "thank yous" – for making their lottery play experience better.

Over the past two years players in five North American lottery jurisdictions have had the opportunity to use the Internet to enter drawings related to eighteen different MDI licensed games. Not only have players enjoyed the added convenience, they have saved hundreds of thousands of dollars that would have otherwise been spent on postage and envelopes. It's safe to assume that at least a portion of those savings has been converted to additional lottery purchases.

In New Jersey, MDI's Lottery Bonus Zone™ is the promotional centerpiece of the Lottery's Internet-based VIP Club, with new registrants taking advantage of the service daily. New Jersey promotes the "Zone" on tickets, in collateral POS and, of course, on the Lottery's own web site. At any given time, Jersey players have at least three different promotions they can enter.

Second Chance Bonus Zone™ web sites are now a standard feature for MDI-licensed games offered by the Virginia Lottery, too.

Drawing procedures developed by MDI and the lotteries ensure that all second chance entries have an equal chance of winning prizes, whether submitted through the mail or via the Internet. But the "Zone" sites are much more than simply electronic drawing bins. Every site is a place where players can see the drawing prizes, check draw dates and winners' lists, and play other games that relate to the licensed tickets. In short – they're functional AND fun.

In our belief that they represent a real breakthrough in lottery consumer relations, MDI has significantly lowered

fees associated with "Zone" sites, to encourage more lotteries to add the service for their players. Biggest benefits to lotteries, aside from happier players,



are that each promotional web site has been pre-approved by the licensor, each is customized with your tickets and procedures, and each is totally managed by MDI. Your lottery simply adds a link to the second chance site from your own web site, and we take it from there.

If you're planning your next MDI second chance game, it's time to come into the "Zone!"



Smartplay

Smartplay is pleased to display its popular Halogen®. In addition to serving seven lotteries in the USA, Canada, the Caribbean and Europe, this sophisticated lotto model was recently supplied to Seoul based Kookmin Bank, to launch Korea's National Lottery. In fact, Smartplay is the constant

pick of emerging lotteries.

This year, Smartplay equipment was chosen to launch Loterías Electronica de Honduras S.A.; the National Lottery of Taiwan; and in India, Playwin's operations in Mumbai, Sikkim and Bangalore as well as Technoserve's Kismet Lotto in Meghalaya. In addition, the firm provided equipment to established clients in Belize, Canada, China, Ireland, Israel, Jamaica, Malaysia, Mexico, Puerto Rico, South Africa, the Ukraine and the United States.

Smartplay will also display a mural of recently manufactured television game show equipment. During the past year, the firm has worked collaboratively with clients to create game show pieces for lottery shows in the United States, Canada and Europe. Smartplay encourages congress participants to present any upcoming need for game show equipment, which they may have. Past projects include custom prize wheels such as Multi-State Lottery's Power Play wheel, Pachinko machines, elaborate bank vault prize wheels and audience participation devices.

Also on display in the booth will be video of lottery drawings from around the world. The video features Smartplay's sixteen standard models for single digit, lotto and bingo games. Smartplay, how more than 100 lotteries draw the winning numbers.

Wincor Nixdorf at the WLA-Congress 2002 in Adelaide

The regularity with which Wincor Nixdorf has presented pioneering innovations and products for the lottery sector at trade fairs in recent years is quite amazing. Naturally, this year's WLA Congress in Adelaide is also a welcome opportunity to present once more a whole range of innovations to the market.

There's method behind this remarkable potential for devel-

opment. Wincor Nixdorf consistently leverages the synergy effects from banking and retail for the lottery business.

Another special feature is the new IPC – Intelligent Platform Concept – product strategy.

The idea behind the IPC strategy is to use one and the same hardware and software platforms for all Wincor Nixdorf lottery terminals. These are based on high quality standard components from the BEETLE family, and Xicore system software that runs under the Linux operating system. Consequently, new products can be adapted rapidly to changing market requirements, and software changes can be implemented quickly on all terminal types. In addition, hardware service, maintenance, logistics, and software maintenance are made simpler as a result.

The flexible terminal concept for all lottery products also means that the system – including the entire Wincor Nixdorf product and peripherals portfolio – can be easily configured and enhanced. As a result, in less than no time a lottery terminal can be turned into a full infotainment center with every imaginable function.

With this strong base to build on, Lottery Solutions is presenting five brand new products at the WLA Congress, including: the powerful Xion /Mtop multimedia terminal, the Xion /XS mini-terminal for small outlets, and iPOS, a compact terminal ideal for those entering the lottery sector. Other innovations include the Certo self-service terminal



with its futuristic design, and Xicheck, the winnings query terminal where customers can independently and easily check whether they have won anything.

One thing is certain: anyone in the lottery world who wants to be among the winners, who regards strategic flexibility for products and solutions as important, or who believes that product quality and durability are a must and has logical concepts that will allow them to respond quickly to market changes in the future, should not miss a visit to the Wincor Nixdorf stand at the WLA Congress. And for those who just can't go all the way to Australia, all the information can be found on the Internet at www.wincor-nixdorf.com or at one of our 28 subsidiaries

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Computer Generated Draws: An International View

In the last few years more options have been available for lottery draw programs. One option that has become available is computer generated draw programs. While many lotteries use computerized draws for games that draw several times per day, the jury is still out on using these draws for all games. Some lotteries are attracted to this method because of the cost saving potential. Others are hesitant to try the option because they're afraid their players won't trust that the draws are truly random.

What the Lotteries Have to Say

Public Gaming International recently discussed the draw issue with lotteries around the world. Here is what they have to say about the issue.

Public Gaming International (PGI): *Does your lottery use a computer generated drawing program for online games?*

SAZKA, a.s. – Czech Republic (SAZKA): Yes. The reason is product KENO5. We must have drawings every 5 minutes.

Szerencsejáték – Hungaria (SZ): No.

Suddeutsche Klassenlotterie – Germany (SKL): We do not use a computer generated drawing program for online games, but we use a computer generated drawing program for our accessory game called "Euro-Joker". The reason is that every hour there's a drawing (from 01.00 a.m. to 12.p.m. every day). "Conventional" drawing with balls, drums and especially staff for every hour would be very complicated and expensive.

Norsk Tipping – Norway (NT): At the present time we are using Computer generated draws in three different online games. The reason for doing this was to get rid of time-consuming manual operations, better reliability and to be able to introduce "fast" games. The first generation computer generated draw system invented by our company was implemented and taken into use in 1999, and we are now in the final stage of preparing the next generation system especially suitable for all kinds of game draws.

SA Lotteries (SA): SA Lotteries uses a computer generated draw for its on-line Keno game. This game operates with a draw each three and a half minutes and it is not considered practical to operate a manual draw at this draw frequency. The computer generated draw was introduced at the inception of the game on March 29, 1990. All other on-line games are drawn weekly and use conventional manual drawing processes.

Camelot – U.K. (CAM): No.

PGI: *Has there been any impact on sales?*

SZ: No.

SKL: Not measurable.

NT: Important. We did not replace a televised mechanical draw with a computer draw. This would have created negative sales impact. Computer draws are only used in new games or extra games where the draws have not been televised before.

SA: It is not possible to assess the impact of sales through the use of a computer generated drawing system as this was a feature of the game from the outset.

PGI: *Do you test your Computer Generated draw results in the same way that you used to test mechanical draw results? If no, please tell how the procedures differ.*

SAZKA: Yes.

NT: Yes and no. The ball sets used in mechanical draws are tested once a year, and recorded samples from the electronic draws are also analyzed once a year.

SA: The computer generated drawing process is subject to a much more stringent testing regime than applies to mechanical draw systems. Specifically, every Keno draw is subject to analysis compared to all other draws for a range of statistical tests to confirm that the Keno random draw generator behaves as if the numbers are drawn from a genuinely random source. This analysis is undertaken by Flinders Technologies, the commercial arm of Flinders University. In the case of mechanical draws, these are subject to testing for weight differences of balls and occasional testing of draws for statistical comparison, however it is not considered necessary to



make this a regular regime due to the statistical infrequency of the draw.

PGI: *If your lottery is not using a computer generated drawing program for online games, is it something you are considering for the future?*

SZ: No. Based on our research and player feedback the public considers automatic draws less trustworthy and secure than draws performed manually. Computer generated draws would most likely create an even greater distrust.

CAM: Yes, but we have no concrete plans at this time.

SA: There is the future potential to apply computer generated drawing programs to other on-line games, such as the one developed by Imagination Entertainment, which links the time clock of a major sporting event to computerized drawing equipment. In August 2002, SA Lotteries conducted a successful trial of this system in conjunction with Imagination Entertainment, however no specific plans have been developed for the ongoing use of this technology at this stage.

PGI: *What are the key issues involved in the making of your decision on computer generated draws?*

SAZKA: We must have draw every 5 minutes, and the government officers and watch dogs are not permanently at our head office.

SA: Some of the key issues in making the decision to move to computer generated drawing equipment are: the likely impact on sales; whether the drawing method creates greater exposure or not; likely player perceptions; the security of the draw process, both perceived and actual; and cost implications.

CAM: Costs involved; attractiveness of the concept to our broadcast partner; approval from our regulator (the National Lottery Commission); integrity of the draws from the player's perspective; and staffing issues.

PGI: *Is automated ball number recognition a consideration for your lottery's drawing program? If so, what benefits of this technology are most important to you?*

SZ: We are using automated ball number recognition with our Bingo-type game "Luxor", where the large number of balls drawn and the speed of winner scanning are crucial for the game. Thus, the double data input is performed both manually and automatically by the drawing machine. It adds to the security of the draw.

SAZKA: We use it, but it's not sufficiently reliable.

SKL: Automated ball number recognition was the not preferred alternative to computer generated drawing for our "Euro-Joker". Potential mechanical problems were the main reason for denying this alternative.

NT: Because our Lotto draws are not televised live, we have up to now not considered an automated ball recogni-

Record Year for Smartplay International, Inc.

by Linda Turner, Vice President, Sales and Marketing



Loto-Quebec Tac O Tac

2002 has been an exceptional year for New Jersey based Smartplay, delivering equipment to twenty-one lotteries in Africa, Asia, Europe, Central and North America and the Caribbean. Our sales growth can be attributed to a variety of factors.

When it comes to launching new lotteries, the mechanical drawing machine is revered as tried and true. This year, Smartplay was chosen by seven new lotteries in Central America and Asia.

The philosophy is simple; to see it is to believe it. With a ball machine, you can physically see that all of the numbers are in the mix. Accordingly, on line suppliers and industry consultants prescribe Smartplay equipment as a well-respected, transparent and reliable means of conducting the draw. Independent auditing firms and insurance companies extol the virtue of the extensive randomness testing of Smartplay machines by universities and independent statisticians.

We're often asked whether in the long run, we feel the mechanical machine will remain the favorite. Certainly, computer generated games have their place, i.e. back-to-back keno games, where associated labor is cost prohibitive. However, our clients report that they will not switch existing games from mechanical to computer generated. Why? Because the players would think that something funny was going on.

In one instance, a European client desired a more contemporary image for their established keno game. They decided to continue to conduct the draw with our Keno Criterion, but show only computerized graphics of the winning numbers on TV. The players cried foul and the mechanical machine was brought back to the televised presentation, this time accompanied by the modern graphics. This approach seems to offer the best of both worlds.

What about new games? We've been busily supplying machines for these too. For instance, the South Carolina Education Lottery recently contracted with us to supply our Multipick® model for their upcoming Pick 4 game. In the Ukraine, we recently provided our SuperBingo® model to the National Lottery. We supplied our Saturn® and MultiDigit Gem® to Aruba and our Onyx® to Supreme Ventures in Jamaica, all for new games.

Also supporting Smartplay's record year was a boon in television game shows. Working collaboratively with lottery management, we created show pieces for lotteries in the United States, Canada and Europe. ■

tion system to be very important for these games.

SA: Given the relative infrequency (weekly) of draws, little benefit is seen in automated ball number recognition systems for SA Lotteries' local games or the Bloc draws.

CAM: No. ■

Around the World

Europe

Camelot is in talks with La Francaise des Jeux on creating a pan-European lottery by 2004. The game in discussion is believed to be a lotto-style game, and would eventually be open to all European countries.

Australia

Western Australia Lotteries granted more than \$500,000 to build or upgrade recreational trails throughout Western Australia.

NSW Lotteries launched a \$2 Austin Powers game – the latest in its popular line of celebrity Instant Scratchies. The game features ten images from the Goldmember movie. Players scratch panels with typical Austin Powers catch phrases, such as "very groovy" and "dig it, baby" to reveal prizes worth up to \$100,000.

Three thousand of Victoria's gaming machines will be exempt from tough new rules designed to crack down on problem gambling. Registered gamblers will be allowed to set their own loss limits on 10% of the state's 30,000 gaming machines. Gamblers would need to use a PIN or card to play.

Estonia

Eesti Loto is looking at the possibility of making play possible over mobile phones. The Lottery has agreements with EMT and Tele2, and talks with Radiolinja are in progress. Tests to check security of the mobile lottery and the speed of data communication speed started this fall.

The mobile lottery system requires no special investment from the Lottery, since the present Internet lottery environment will be used. The mobile system will be linked via online banks with the player's bank account. The client will use the mobile phone keypad to choose the options and automatically pay via an Internet bank.

Finland

EGET has supplied the WinOneä system to Fintoto for the new gaming site, www.fintoto.fi.

Veikkaus and Nordea Bank announced a partnership enabling all 1.2 million users of Nordea's Solo Internet banking service in Finland to play Lotto, Keno or place bets in OnNet through the Solo banking site.

France

La Francaise des Jeux launched Cash, a new scratch card in the shape of a US note, which allows players to win up to 20,000 euros for an average payment of 2 euros.

LFDJ saw its sales plunge 10% during the first few weeks of 2002 with the transition to the euro, but since then has made up some of the early shortfall, and now expects a 2% increase in its sales for the full-year.

India

The Meghalaya State Lottery 'Kismat Lotto' launched a new results and information website for the Kismat Lotto at www.mykismat.com. All draw information can be accessed immediately after each draw. Applications to become a Lotto agent are also available on the site.

Ireland

Easycash, plans to open 300 ATMs around Ireland that allow consumers to buy U.K. lottery tickets. Twenty such ATMs have already been established on a pilot basis at a number of locations around the country. The technology employed is similar to an ATM.

Israel

Mifal Hapais launched a new corporate image campaign that presents a new concept – "it's not us, it's you". The new approach implies that the Lottery should be saying thank-you to its customers, since without them it could not build and contribute to the community.

The Israel Sports Betting Board (ISBB) ordered 400 new terminals from EssNet, thus expanding their terminal network to 1740. ISBB's ELOS system, which is in full operation since 2001, includes a central system and E4000 on-line terminals.

Japan

In an effort to boost revenue, Mizuho Bank plans to sell lottery tickets at all of its 600-plus branches nationwide in the next few years.

In another story, the Japan Racing Association and Hong Kong Jockey Club entered into a "Good Neighbor Policy" aimed at battling illegal Internet gambling. The two agencies agreed to respect each other's jurisdictional integrity with regards to wagering.

Lebanon

Libanaise des Jeux is now the official operator of the Lebanese National Lottery, and conducted its first drawing on September 12th in front of a national TV audience.

New Zealand

The NZ Lotteries Commission is looking for a new CEO. It is hoped the successful candidate would start work early next year. The former CEO was reportedly paid around \$270,000. There is likely to be a high "at risk" performance-based element in the package.

The New Zealand Internal Affairs Department has cracked down on advertisements telling people how to play the UK lottery on the internet. Global Logistics ran a website on which New Zealanders could play the twice-weekly lottery using their credit card.

Serbia

"Super Lotto", the new game of Lottery of Belgrade, was among the sponsors of the 12th FINA Men's Water Polo World Cup held in Belgrade. Yugolot, while expanding its agreement with the Lottery of Belgrade has undertaken the marketing support of the games among other services.

South Africa

Uthingo had planned to launch its third National Lottery game, Keno, on Monday, November 11, 2002. Unfortunately, that start date may now be delayed. Once operational, the game will operate on a 6:50 matrix, and players will be able to play for up to 28 draws in advance.

Sweden

Folkspel launched "YeeHaa!," a game combining scratch cards and interactive games. The new game is targeting both males and females in the 20 to 35 age group.

YeeHaa! consists of two parts – a 3 out of 9 scratch game, which if won allows players to go on an interactive game requiring a mobile phone. Players are asked a question, which can lead to the player cashing out or proceeding to another question which will allow for more winnings.

The Netherlands

De Lotto, the Dutch lottery company, successfully launched sports betting on the Internet. Registered players from De Lotto's jurisdiction can now place bets on sporting events using technology developed by Veikkaus.

De Lotto and Veikkaus announced a partnership agreement under which De Lotto has licensed Veikkaus' OnNet Internet gaming technology which has been adapted for De Lotto. De Lotto plans to introduce the rest of its gaming offering in the Internet early next year.

De Lotto and Veikkaus have also agreed to cooperate in developing their Internet gaming business and technology based on Veikkaus' successful OnNet gaming platform. Other regulated national lotteries are invited to join the partnership.

UK

Camelot launched a second weekly Thunderball draw. Starting October 23, draws take place every Wednesday evening in addition to the one on Saturday. Ticket sales for the Thunderball draw have remained steady at between £4 and £5 million a week since its launch in June 1999. The second draw is expected to add another £1 million to the weekly total.

Camelot has given the go-ahead for a daily Lotto game in the spring to boost declining sales. The Lottery is also considering a plan to make tickets available at ATMs and supermarket checkouts.

Uruguay

Banca de Quinielas de Montevideo (Banca), a processor for the Uruguay National Lottery, has purchased software licenses and professional services for Mitek's Doctus® forms processing system. The Bank is using Doctus to process over 1.5 million tickets per month for three different types of lottery games at its headquarters in Montevideo, Uruguay. ■

PGRI 2003 Conferences

SMART-Tech 2003

Co-Host: South Carolina
Education Lottery
February 9-12, 2003
Double Tree Suites
Historic Charleston, SC USA

ILAC Congress 2003

Co-Host: National Lottery of Mexico
April 26-29, 2003
Hilton Cancun Beach & Golf Resort
Cancun, Mexico

International Lottery Expo 2003

Co-Host: National Lottery of Mexico
July 17-20, 2003
Sheraton Bal Harbour, Miami Beach, Florida USA

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

Public Gaming Research Institute, Inc.

4020 Lake Washington Blvd, NE, Suite 100, Kirkland, WA 98033

Telephone: 425.803.2900 • Fax: 425.803.6830

Powerball Changes Implemented

Changes to Powerball took effect in October. Four balls were added to the mix, changing the matrix from 5:49 and 1:42 to 5:53 and 1:42. The move shifted the odds of hitting the jackpot from 1 in 80 million to 1 in 120.5 million. The change does little to hurt the overall odds of winning a prize – the old matrix kept odds at 1 in 35 while the new matrix promises 1 in 36 will win.

Another significant change to the game is that once the jackpot reaches a record level (currently \$295 million), jackpot rollovers will be limited to \$25 million, while dollars that in the past had been designated for jackpot increases will spill into the second-tier \$100,000 prize – a move which could increase the number of millionaires produced by record setting jackpots.

Finally, the PowerPlay feature eliminated the "1" from the PowerPlay drawing, thereby ensuring that players paying an extra dollar for the feature will multiply their winnings.

Nebraska, West Virginia Join Amber Alert Program

The Nebraska and West Virginia Lotteries became the second and third lotteries (Florida is the first) to make online terminals available for Amber Alert announcements.

The Amber Alert program delivers messages via highway signs, media outlets, and any other means available in order to quickly circulate updates on child abductions. The induction of the Nebraska and West Virginia Lotteries into the program adds thousands of new information outlets.

PEI To Hand VLT Operation to ALC

Prince Edward Island's government is buying all VLTs in the province on January 1, 2003, and is handing operation of the machines over to the Atlantic Lottery. The machines are currently operated by a group of five people who take in approximately \$1.7 million per year from the machines.

Once purchased, the province will replace the machines with newer versions that keep tabs on how long players have been gambling and reminds them of the dangers of gambling too much.

Wisconsin and Virginia Lotteries Celebrate 14th Birthday.

The Wisconsin Lottery celebrated its golden birthday when it turned 14 on September 14th. The celebration included a birthday party at a popular retailer with Wisconsin football fans as guests, the \$1 "Big Moola Party" scratch ticket featuring a 68% prize payout, and a limited time offer on Wisconsin's Very Own Megabucks jackpot game that offers 2 extra plays when a player purchases a \$5 ticket.

The Virginia Lottery has come a long way since September 20, 1988. On its opening day the Lottery

offered one game – Match 3. Fourteen years later, the Lottery offers more than 50 scratch games and five on-line games. Sales for each of the past two fiscal years have topped \$1 billion. And most importantly, the Lottery has turned over to the Commonwealth of Virginia a total of more than \$4.1 billion in revenue during those 14 years.

BCLC Launches Self-Exclusion Bingo Program

A new program launched by the BCLC allows bingo addicts to have themselves barred from bingo halls. Those who are interested in signing up for the program simply phone the Lottery. The Lottery will send a security officer who takes a picture of the addict, and has the person fill out a form. The information and photo is then sent to all bingo halls. Theoretically, if the addict tries to enter the hall he or she will be refused entry.

Research of a similar program in Quebec showed that 30 percent of participants were successful in staying out of casinos.

Pennsylvania Implements New Management System

The Pennsylvania Lottery has successfully transitioned to a Lottery Enterprise Management System provided by Lapis Software Associates, LLC. The new system, called gemEnterprise™, was put into production in early fall.

The new system reduces processing time, improves access to historical data, and is the first phase in the overall implementation, service and support provided by Lapis Software Associates. The final phase and full utilization of the new system is expected next spring.

Nebraska Receives OGT Award

Oberthur Gaming presented its annual "Winning Partnership" award to the Nebraska Lottery during the Lottery's Sales Meeting in September. The award is recognition for being the Oberthur client who achieved the highest growth in instant ticket sales from one year to the next. The Nebraska Lottery's instant sales increased an impressive 14% in FY 2002.

Texas to Continue \$4 Million Starting Jackpots

Gary Grief, acting executive director of the Texas Lottery Commission decided to overturn an earlier Lottery decision to drop starting Lotto Texas jackpots from \$4 million to \$3 million. Grief says he wants more time to consider the potential impact that changes to the beginning jackpot, or the game itself, might have.

An earlier announcement to reduce the beginning jackpot to \$3 million was made on September 26. ■

Laura Stecher has become Quality Assurance Manager at the Virginia Lottery. This full-time position in IT is devoted to quality assurance of the variety of software additions, changes and enhancements that the lottery is constantly developing. Laura has been with the Virginia Lottery more than 14 years, most recently as online product manager in the marketing division. Laura won NASPL's Ott Brown scholarship to attend the 2002 Lottery College, where her group created a winning Internet game called "In Pursuit of Gold: A Journey to Athens." In other Virginia news, **Robin McKenzie** was recently honored by the Virginia Lottery with its Sales Division Person of the Year Award. As Retail Market Manager, Robin designs the lottery's retailer incentive programs throughout the year. Robin has increased the effectiveness of these programs in her short tenure with the Virginia Lottery. She joined the staff in 2000.

The Kentucky Lottery is pleased to announce **Rick Redman** as a 2002 NASPL Powers Award recipient. Also, **Sheila Smith** was awarded the Ott Brown Scholarship. In other KLC news **Ann Damron** was promoted to the position of External Sales Representative in the Prestonsburg Region.

Gary Grief has been appointed acting executive director of the Texas Lottery. Grief, the former operations director of the agency, replaces **Linda Cloud**.

Jessica Iverson, Communications, has moved on from the Wisconsin Lottery. Until her replacement is found, inquiries should be directed to **Andrew Bohage**,

Operations Director.

Connie Jones has been named Director of Responsible Gaming for IGT. She will head up IGT's Corporate Responsible Gaming Program, which was adopted in 1997.

GTECH announced **David J. Calabro** has been appointed Executive Vice President and Chief Operating Officer of GTECH Holdings Corporation. Having joined GTECH in 1999, Mr. Calabro has most recently served as the Executive Vice President responsible for Global Operations. Lt. Gen. (Ret.) **Emmett Paige, Jr.** has been elected Chairman of the Board of Directors of GTECH Holdings Corporation. General Paige has been a GTECH Director since 1997 and currently serves as Vice President of Lockheed Martin Information Technology Company.

Vesselin Tsvetkov has succeeded **Ivo Traykov** as Executive Director of the Bulgarian State Lottery. Mr. Tsvetkov was formerly Financial Director of the lottery and headed its regional directorate for the city of Vratsa.

Joseph-Emile Vandebosch has succeeded **Michel Ansiaux** as Chief Executive Officer of the Belgian National Lottery. Mr. Vandebosch was Vice-President of the Board of Directors before being appointed CEO.

Scientific Games Corporation announced that **Sally Conkright, Ph.D.**, has joined the company as Vice President, Organizational Development. Conkright most recently served as Chief Administrative Officer for Converge, Inc. ■

NOTICE OF INTENT TO REQUEST PROPOSALS

The New Mexico Lottery Authority (NMLA) hereby provides notice of its intent to request proposals for the following professional services: Instant Lottery Ticket Printing/Related Services and Customer Relationship Management Systems.

Individuals and corporations interested in submitting proposals for these services may contact the NMLA's purchaser after October 15, 2002, at 505-342-7623 or 505-342-7600. Information will not be provided prior to that date. On or after October 15, copies shall be available for review by mail, or during normal business hours at the NMLA corporate offices, 4511 Osuna Rd. NE, Albuquerque, NM 87109. Parties may contact the purchaser prior to that date for the sole purpose of requesting to be added to the distribution list for the issuance of the request for proposals (RFP).

-The NMLA

CORRECTION: In the September issue of Public Gaming International, in the story "IGT Online Entertainment Systems, Inc.: Bringing the Promise of Entertainment Based Games to Online Lotteries," a sidebar to the story insinuated that IGT OnLine Entertainment Systems, Inc., was a division of Anchor Gaming. Just to clear up any confusion, the company is an affiliate of Anchor Gaming (as well as International Game Technology), and is a separate corporation, not a division.

Atlantic

It has already been an exciting 20th anniversary year for Lotto 6/49 in Atlantic Canada – beginning with the launch of the \$4 Lotto 6/49 Scratch'n Win ticket and, most recently, the CFL promotion. The anniversary celebration will continue in November as Atlantic Lottery launches the new ATLANTIC 6/49 game with top prizes of \$1,000,000! Beginning November 12th, players will be able to purchase ATLANTIC 6/49 on their Lotto 6/49 tickets.

As part of ALC's winners program, celebrations are held at retail locations across the region where winning tickets were sold. These celebrations include coffee parties with cake, balloons, and prizes.

California

Together with PETCO stores, the California Lottery wants to know if players have one of California's "Top Dogs." The Lottery is developing a new series of Instant tickets featuring California's "Top Dogs." The Lottery will be travelling across the state and holding contests to select the "Top Dogs" to be featured on these Scratchers in 2003.

Delaware

This past month the Delaware Lottery conducted a five-week "Find the POWERBALL" Web site promotion with two local radio stations. The promotion supported the POWERBALL game changes that were implemented on October 6.

Each weekday during the promotion, a red POWERBALL image was hidden somewhere on each radio station's Web site. A banner ad on the home page of each site prompted Web visitors to search the site for the red POWERBALL and submit its location via e-mail. Listeners also were directed to the site via on-air announcements. Each day a lucky winner was selected from the correct entries submitted to each Web site and was awarded ten Lottery Dollars. During the 23-day promotion, there were a total of 46 winners (one winner per station per day).

As part of the "Find the POWERBALL" promotion, a link to delottery.com was included on both Web sites, and the contest was featured in a Listener Club Newsletter that was distributed before October 1.

Kentucky

The KLC currently has a Kentucky Cash Ball promotion. When players purchase \$3 in Kentucky Cash Ball plays they receive one Kentucky Cash Ball play free.

KLC's first \$20 ticket, \$100,000 Holiday Riches, offers ten top prizes of \$100,000. Every ticket wins a cash prize of at least \$5. It is the first of four holiday tickets that will be introduced by the Kentucky Lottery.

Michigan

Fiscal 2002 wrapped up Sept. 30, and Michigan expects to post ticket sales of approximately \$1.69 billion, while generating more than \$605 million in net revenue for the state School Aid Fund. A \$331 million Big Game jackpot, the introduction of the new Daily 3 & 4 EXTRA game and continued solid performance of the Daily 3 & 4 games, the instant games and Mega Millions (formerly The Big Game) played an integral part in helping the Lottery have a very successful year.

Instant tickets for November include the \$10 "Wintertime Wishes" offering a top prize of \$500,000; the \$2 "Stocking Stuffer" with a top prize of \$25,000; the \$1 "Reindeer Games" offering a top prize of \$5,000; the \$5 "Candy Cane Cash" with a top prize of \$250,000; the \$1 "Seeing Green" a top prize of \$5,000; and the \$2 "Winner Weather" offering a top prize of \$15,000.

New York

The New York Lottery conducted a statewide promotion to give one lucky person a chance to sink a half-court shot for \$1,000,000. It was part of New York's Mega Millions \$1,000,000 Shoot-Out Sweepstakes.

In October, the Lottery held a random drawing and selected the names of 25 people in multiple areas to participate in a shoot-out where they had the chance to make as many foul-line baskets as they could in 30 seconds. The top two scorers in each regional competition went on with the Lottery to Madison Square Garden, where they competed in a sudden death shoot-out to determine who got the chance to take the \$1,000,000 half-court shot in front of a live crowd during the Knicks home game on November 16, 2002. The grand-prize winner was guaranteed to take home at least \$5,000.

Washington

The Washington Lottery and KMTT-FM, The Mountain, threw 'Last Bash' event to say "Goodbye" to Space Needle before the landmark "moved" to Moses Lake. The event was held at the Space Needle and was part of the Lottery's mock campaign about a man named Steve who buys the Space Needle with his Mega Millions winnings and moves it to eastern Washington.

WCLC

WCLC's NHL scratch-and-win lottery tickets returned at nearly 10,000 lottery outlets. The scratch-cards give players a one-in-three chance to win prizes, ranging from vacations to cold hard cash. Top prizes include a trip for four to the 2003 'All-Star' game in Florida, a trip to New York, as well as golf and home entertainment prize packages.

The lottery raised \$575,000 each for the Edmonton Oilers and Calgary Flames last year and are looking to raise \$1 million for each squad this time around. ■

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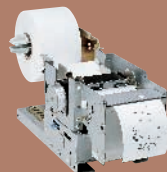
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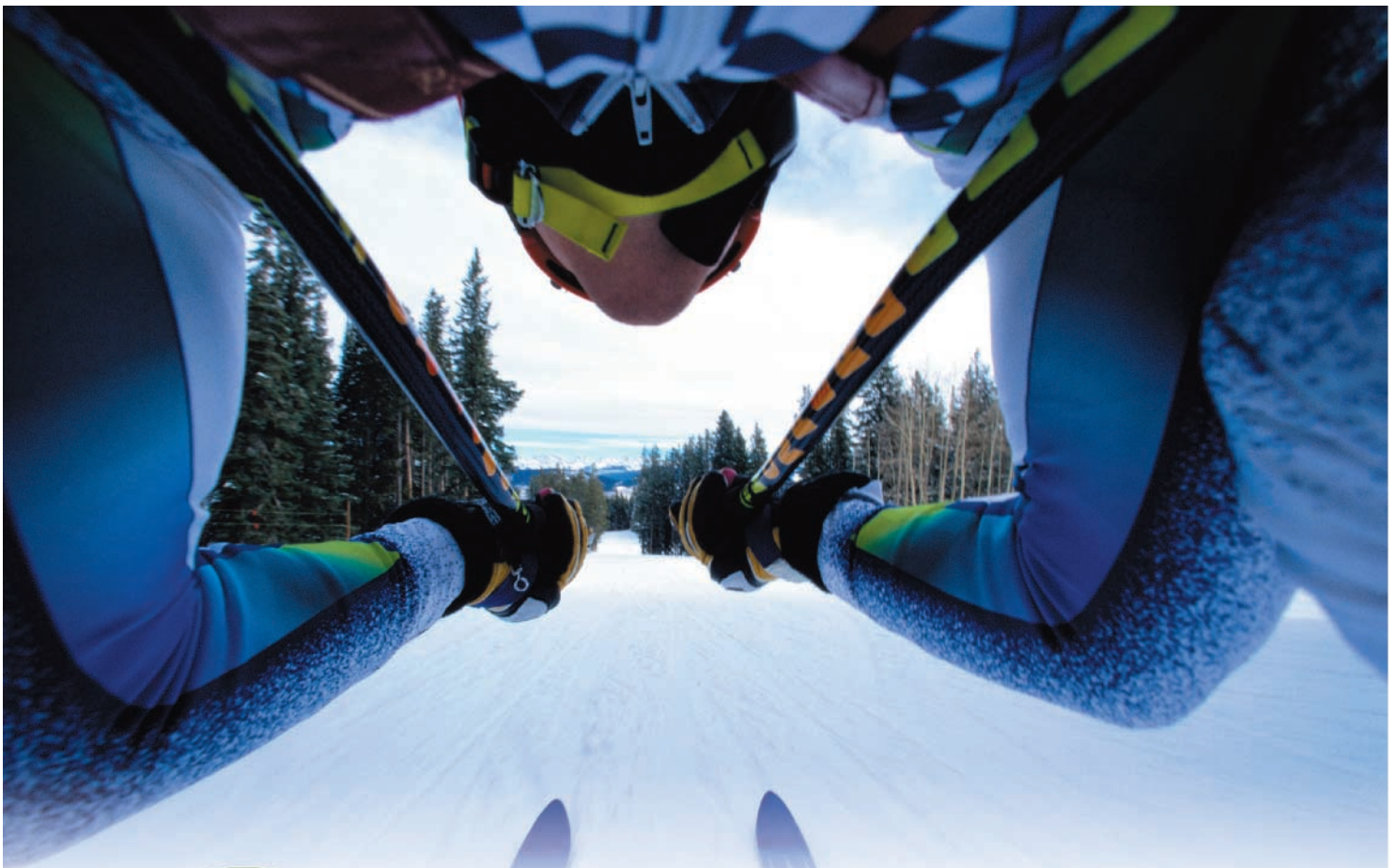
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