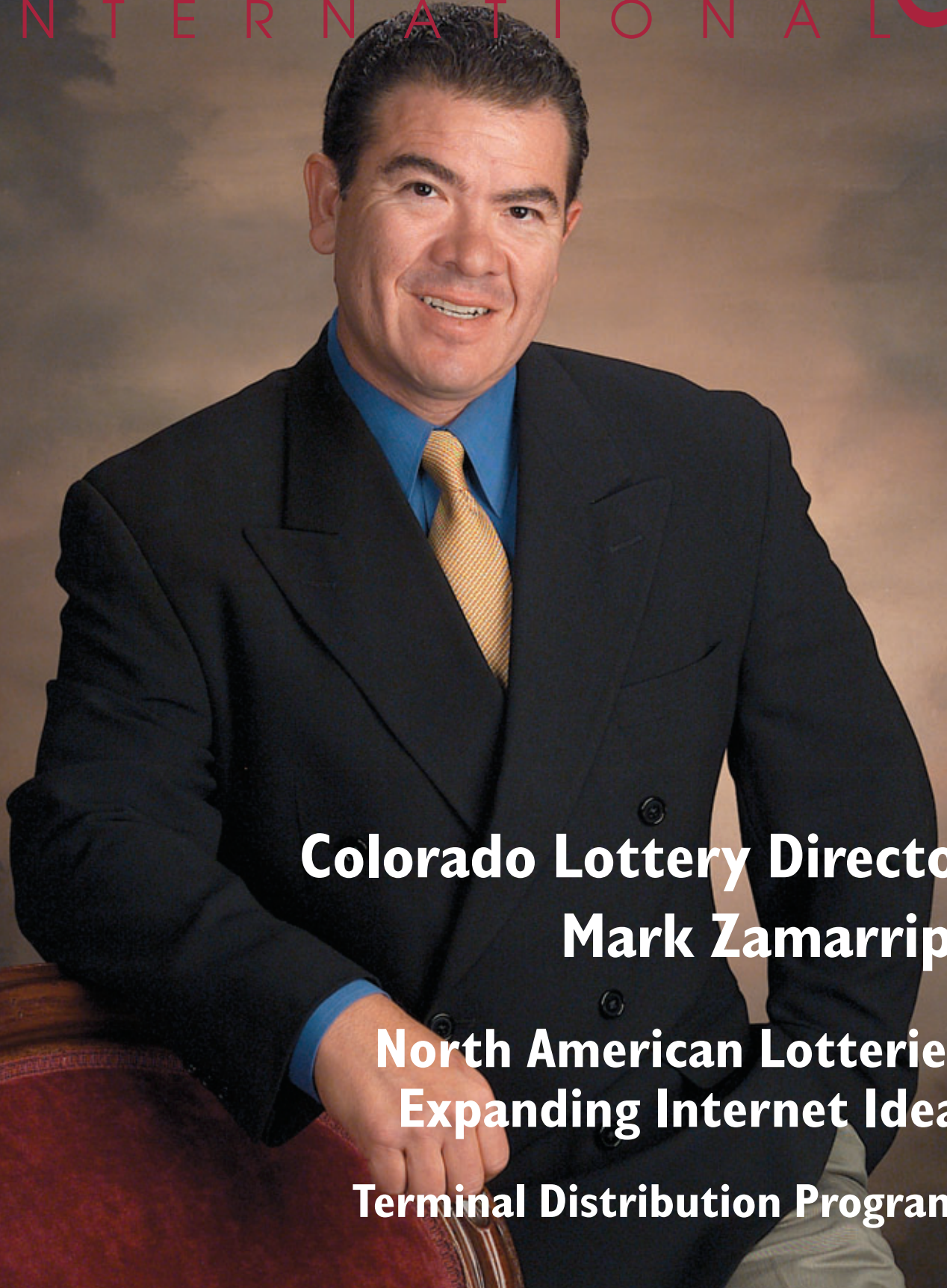


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**Colorado Lottery Director
Mark Zamarripa**

**North American Lotteries:
Expanding Internet Ideas**

Terminal Distribution Programs

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ON THE COVER:

Colorado Lottery Director,
Mark Zamarripa

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It seems like only yesterday that I took the gavel as NASPL President from the able hands of Penny Kyle. My, how time speeds by.



It's difficult to believe that it's actually been a year since that special night at last year's NASPL Conference in Albuquerque, an event that I wasn't so sure would even happen considering the travel situation and general uneasiness after September 11. It still amazes me that Tom Shaheen and the New Mexico Lottery were able to pull off such a terrific conference in such a trying time.

So much has happened in the world and the lottery industry during the past 12 months.

We've witnessed the War on Terrorism, the invasion of Afghanistan, and scandals on Wall Street. Television viewers awaited the birth of Rachel's baby on "Friends," while American Idol kept many of us glued to the tube through the summer. The Diamondbacks pulled off an upset in the World Series, while the Patriots surprised everyone by winning the Super Bowl. A team of future Hall of Fame members led the Red Wings to another Stanley Cup, while the Lakers got their three-peat, and a team of 12-year olds from my home city of Louisville captured North America's attention by winning the Little League World Series.

In our industry we all worked harder than ever to achieve record sales and profits. We witnessed a North American lottery sales boom, with all but three of our NASPL members achieving improved sales and many establishing new records. U.S. lottery sales climbed to an amazing \$42.4 billion while Canadian sales grew to \$8.3 billion, both new benchmarks.

Many of our member lotteries also enjoyed record profits, which was extremely important considering the fact that many of our sponsoring governments faced declining revenues from other sources and significant budget deficits. Achieving record sales and profits is really remarkable when you take into account the mood of the nation after the September 11 attacks and the slowing North American economy.

The NASPL staff, Executive Committee, and various subcommittees pressed ahead to make significant progress on our standards initiative, vendor and retailer relations, shared educational opportunities, and Internet legislative position. I am confident that the organization continues on the right track.

The question now is, what does the future hold for North American lotteries as I prepare to pass the gavel to new leadership?

I believe many of our member lotteries will be challenged with oversight and management of expanded gaming opportunities as our governments look for additional revenue. As we are authorized to oversee and manage expansion, we will be expected to run these operations in the same responsible and professional manner in which we have managed our traditional lottery games.

This includes a continuing effort to build upon the responsible play programs that we all have put in place.

We also need to continue to work with our vendors to develop new games that will appeal to non-traditional players. If we are to continue to grow our sales and profits, we must find a way to expand our player base.

We must continue to build on our relationships with retailers. They are our first customers. We must continue to work with them to make our products appealing and the methods of doing business with us as easy as possible.

We need to continue to cultivate members of our staffs by giving them opportunities to expand their knowledge and grow within the industry.

I know that NASPL member lotteries strive day-in and day-out to make winners of our players, beneficiaries, retailers, and employees. It's part of the very fabric of who we are and what we do. After more than a dozen years in this fabulous industry, I can tell you that I feel like the biggest winner of all. Knowing that we change lives for the better with the prizes we pay and the contributions to good causes we make puts a smile on my face and a spring in my step every day.

So it is with a degree of sorrow that I relinquish the gavel to Mark Zamarripa, who will provide NASPL with new and capable leadership. I look forward to continuing to work with all of you on the important initiatives we have started and continued.

Have a great NASPL 2002 Conference and a terrific fiscal year 2003!

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Industry News

MDI Extends With Sony, Signs Washington on to the Harley Team

Sony Pictures Consumer Products, Inc. has extended through 2005 MDI's licensing rights to Wheel of Fortune® and Jeopardy!® for lottery games and promotions. The new North America contracts represent the longest term in MDI's licensing history.

The contracts allow lotteries to leverage the Wheel of Fortune and Jeopardy! title, logo, artwork and designs of the TV game shows into their games, promotions, events, merchandise and advertising. Special 20th anniversary seasons lie ahead for both Wheel of Fortune (2002/03) and Jeopardy! (2003/04).

In other news, the Washington State Lottery will launch a Harley-Davidson® Instant lottery game in November, its first licensed game promotion with MDI Entertainment, Inc. Washington becomes the 37th state lottery to join the MDI licensed game roster of customers.

The Washington Harley-Davidson® game will offer ten Sportster® 1200 Custom™ motorcycles to be won instantly. The game consists of 1.8 million tickets priced at \$3 each with cash prizes of up to \$30,000. The tickets are to be printed by Scientific Games.

In addition, there will be 466 Harley-Davidson® merchandise prize packages to be won instantly. The packs include genuine Harley-Davidson® telephones, wristwatches, blankets, wall clocks, sunglasses, leather compact disc wallets with road songs, leather caps, t-shirts, coffee mugs and playing cards.

INTRALOT Continues to Deliver Substantial Growth in Sales And Earnings

Intralot sustained high growth in its revenues, operating earnings, earnings per share and maintained its ability to generate considerable operating cash flow in the six months ended June 30th, 2002.

Revenues reached 155 million Euros compared to 134 million Euros in the same period last year, a 15% increase. Gross margin improved to 32.6% from 30% last year, mainly driven by higher domestic revenues and new international contracts. EBITDA (earnings before interest, tax, depreciation and amortization) increased by 24.5% to 49.5 million Euros. EBITDA margin improved and reached 32% (last year 29.5%) reflecting operational efficiency. Income before taxes recorded an increase of 25% by reaching 44.1 million Euros compared to 35.3 million Euros, on first semester 2001. Net cash position reached 46 million Euros demonstrating the company's ability to generate significant free cash flow and efficiently utilize its capital employed.

In related news, Yugolot, a member of the Intralot Group, has been placed in the 300 most successful enterprises in Serbia for the year 2001. As a result, the "Certificate for Profitability" was awarded by the Globamark Business Research, which conducted the research.

Scientific Games Latino America Announces Three Agreements

Scientific Games Corporation's recently acquired subsidiary,

Scientific Games Latino America or SGLA, has been chosen to supply instant ticket games to three Latin American customers: Loteria Nacional de El Salvador; Loteria Nacional de Nicaragua; and a private foundation in Mexico, Vamos Mexico. The contracts are together valued at nearly \$4.0 million over their initial terms of one year each.

Kansas Selects GTECH

GTECH received a multiyear contract from the Kansas Lottery to provide equipment and services for a new lottery system telecommunications network. GTECH expects the contract to generate revenue of about \$10 million over its term, which is to run through June 30, 2008. GTECH will install and maintain a satellite communications system, consisting of the Company's private radio network, digital leased lines, and VSAT, which provides communication between a central hub and a number of geographically dispersed sites.

EssNet and AF Group Sign Cooperation Agreement for Development of Lottery Terminals

EssNet has entered into a cooperation agreement with AF Group, a big Swedish technical consulting group. Under the terms of the contract, AF will develop and maintain the hardware platforms for EssNet's terminal products. The terminals are a central part of EssNet's product portfolio and the cooperation with AF means that EssNet long-term will strengthen its offerings.

Oberthur Gaming Technologies Gains Arizona Contract, Forms Alliance with IMARCS

The Arizona Lottery and Oberthur Gaming Technologies – USA (OGT) have formed a new strategic partnership in an instant ticket printing contract beginning January 2003 through January 2008 with 2 one-year options to renew. The 5 year contract, which has been awarded to four different printers, including OGT, has an approximate total value of \$10 million.

In other news, OGT formed a strategic alliance with ImarcsGroup.com. Through this agreement, OGT has the exclusive global rights to utilize ImarcsGroup.com's Internet technology within the lottery industry to offer Internet marketing systems which will ensure lotteries remain competitive, attract new players and increase sales.

Electronic Game Card Ltd Looks to Rebuild the Instant

Electronic Game Card Ltd announced a big advancement in instant lotteries. The size and shape of a credit card, the Electronic Game Card packs a microprocessor chip, a long life power source, an LCD screen, encryption and security devices, and a whole load of games and electronics know-how. The EGC can be programmed to give any number of plays.

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MDI
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Around the World

Australia

Queensland's Golden Casket Lottery Corporation launched the first stage of what will become a web-based initiative designed specifically for agents called 'Agents Web.' Eventually Agents Web will allow agents to generate up-to-date sales performance and accounting reports, and offer readily accessible information to support agents.

Czech Republic

SAZKA launched a five-minute version of Keno. The game was eventually dubbed a "flood lottery" when SAZKA became one of the first to reach out to victims of Europe's devastating floods. Shareholders made the unanimous decision to take significant steps to supply swift, all-embracing aid to the flood-hit areas. All proceeds from the game's launch through 2002 are designated exclusively for the reconstruction of the affected areas.

Germany

EssNet has received an order from Lotto Rheinland-Pfalz, Germany, to provide an ELOS e-Channels™ interface to the ELOS system. Installation will take place in December and Lotto Rheinland-Pfalz will then be able to offer their games via the Internet, accepting lottery sell transactions directly into the ELOS system.

In other news, WestLotto had another great year – earnings once again broke the DM 4 billion barrier. The Lottery is attributing this success to Lotto, and the slogan, "One week, two opportunities – win Wednesdays and Saturdays."

Greece

In an effort to combat illegal gaming machines, the Greek government passed a law making it illegal to play computer games in public. Offenders could face fines of up to 75,000 Euros or up to 12 months in jail. This law may be at the very least reworded, because as written, it is technically illegal to play any kind of computerized game in public, including games offered on Gameboys and cell phones.

India

Lipman Electronic Engineering, an Israeli provider of point of sale solutions, won its first ever contract in India. The deal, valued at \$3.6 million, has Lipman providing Indian lottery company Best & Co. with thousands of Nurit 8000 terminals by the end of the third quarter this year. Lipman developed an application enabling lottery games to be played via the terminal.

Kenya

Kenya's Postal Corporation has contracted with Taifa Lottery Limited to sell Taifa Lottery-Streetlife Promotion tickets through its outlets. The move was made by the Postmaster General in an attempt to alleviate poverty.

Korea

Korea's lottery market surpassed 700 billion won (US\$590 million) last year, totaling 706.1 billion won of lottery tickets sold last year. The figures show a 39.2% increase over last year, when 507.3 billion won were sold. Sales of instant-scratch tickets increased by more than one-hundred percent (100.9%) over 2000's sales figures.

Mexico

The New Mexico Lottery Authority is seeking a bill in the January legislative session to let Mexico become part of the Powerball Group.

The Mexican Government may copy the Beijing Government's "Receipt Lottery" with a "Fiscal Lottery". With the Fiscal Lottery, the government would turn sales receipts into chances to win up to 750,000 pesos. The goal is to get customers to ask merchants for a receipt with every purchase, making it easier for the government to collect taxes.

Norway

European Free Trade rules are demanding that either Norwegians start paying tax on any amounts they win in local lotteries or exemptions be granted on winnings from foreign lotteries. European regulators claim Norway now gives a clear advantage to its domestic lottery programs by exempting their winnings from tax, while winnings from foreign lotteries are taxed when their value exceeds NOK 10,000.

Russia

The Russian Government is handing over control of the country's lottery industry to the Russian Olympic Committee (ROC). The lottery would be run by the ROC in cooperation with the Kremlin's Property Department, and proceeds would be split between the ROC and the government.

Sweden

Casino Cosmopol, a subsidiary of Svenska Spel, opened its 3rd casino in Göteborg, the second biggest city in Sweden. The opening night drew a crowd of 2,800, which was beyond expectations. The last of the four planned casinos will open in Stockholm in February or March.

Taiwan

Taiwan's Taipei Bank has ordered 500,000 Multos-based smart cards for lottery players. Currently, the cards utilize MasterCard's M/Chip credit and Mondex purse applications. Other applications, such as loyalty, digital certificate or e-ticketing, can be loaded in the future.

In other news, the TaipeiBank offered a "Super Jackpot" in September to rekindle interest in the lottery. The "Super Jackpot", made possible by the addition of a seventh number, could be won when the extra number drawn was bigger than the other six lucky numbers. ■

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Colorado Lottery Director Mark Zamarripa In Line to Head NASPL

Even though it has been more than 20 years since Mark Zamarripa started at the Colorado Lottery, he can still remember the excitement, fun and incredible accomplishments associated with a start-up. Now, nearly two decades later, Zamarripa has seen quite a few changes in the industry. Zamarripa has been an active leader in the National Association of State and Provincial Lotteries (NASPL). Currently, he is the first vice president and is in line to be named NASPL president during the national conference in Baltimore, Maryland in October.

Public Gaming International took some time to speak with Zamarripa to discuss his vision on where the lottery industry currently is and where it is headed in the future.

Public Gaming International (PGI): *What do you see as the most important elements in the success of a lottery?*

Mark Zamarripa (MZ):

1. Dedication to preserve the integrity of the Lottery industry and proceeds goals
2. Solid staff at key positions
3. The opportunity to seek new opportunities for growth in the lottery industry

PGI: *To what do you attribute the revenue growth for most lotteries over the past year?*

MZ: The past year, large jackpot amounts have attracted player attention. However, new products in various states have increased player participation as well. Revenue growth requires creative marketing to provide players with products that create excitement.

PGI: *What is the relative importance of the various games today?*

MZ: It varies by state. In Colorado it's two-to-one Scratch; however, in most states, Colorado included, more profits are made by on-line games.

PGI: *How important is advertising to the success of Lotteries?*

MZ: Advertising is important but is only one aspect of overall marketing efforts. Certain lotteries have had suc-



cess with little or no advertising or advertising restrictions. Almost every lottery faces some advertising limitations whether or not it's budgetary or philosophical. To maximize marketing impact takes a combination of factors: Game design, price point, retail marketing, distribution, and promotional strategies

PGI: *Does beneficiary advertising help sales or otherwise help a lottery?*

MZ: It depends on where the proceeds go. In Colorado, and in other states like Georgia (with its Hope Scholarship Program), informing the public about programs funded through lottery sales reinforces the lottery's image and builds citizen loyalty. If proceeds go to a general fund, the ability to show positive impacts will not be as successful.

LOOKING TO THE FUTURE

PGI: *What do you see as the most important attributes of a lottery director?*

MZ: In my experience as director, success comes from specific work experiences: retail, public relations and marketing, and business management.

However, an essential element is having good people in your organization. It's not just the staff that are experts in their field; it's those employees who have a dedication to the Lottery industry – they have dedication to protect the lottery's integrity while they look for new way to generate revenue.

PGI: *What steps can lotteries take to ensure future growth?*

MZ: We can't ensure it. It will always be a challenge. However, lotteries should seek to rekindle the energy of their greatest success with consumers. Good planning can lead to good results, and one tenet of good planning is to build in flexibility to accommodate changes in the marketplace. Lotteries can also continue their efforts to increase efficiencies as a way to increase profitability. That includes efforts to discover new games.

PGI: *What lottery products offer the best chance for significant growth for lotteries?*

MZ: Currently there doesn't seem to be that "silver-bullet game" that lotteries can introduce to increase sales. Some lotteries have benefited from multi-jurisdictional games and there are others, where statutes permit, that experience success from video lottery terminals (VLTs). The issues surrounding Internet gaming are just taking shape and most likely will not be available in the immediate future. With the support and involvement of our vendor partners we as an industry will continue to explore innovative game ideas that excite our players.

PGI: *What do you foresee for changes in on-line games to get them back on track?*

MZ: In the short term, games such as Powerball and Mega Millions will look to add population and increase the matrixes to generate larger jackpots. In the long term, interactive and international multi-jurisdiction games may be introduced to attract more playership.

PGI: *What prospects for increased growth do you see with instant game produces?*

MZ: One of the keys to instant game success has always been instant gratification. This will remain an essential element as long as game design, reasonable price point and the ability to excite players exists. In the future, licensed products, co-branding and promotional tie-ins will help increase the success of these games. Inventory management and efficient distribution will allow lotteries to provide players with more products in a timely manner.

PGI: *Can additional retail training and incentives significantly improve sales?*

MZ: When Colorado launched Powerball, one of our major goals was to educate retailers about the game prior to

launch to enable them to answer player's questions and empower them to proactively "plus sell" the game. These efforts paid off with a higher than industry average of Power Play transactions. This example proves that training retailers can work and should be a basic tactic in any lottery's marketing plan.

Providing retailers with incentives such as sales commissions has helped to solidify positive sales trends. The commission structures vary by state and it is difficult to determine exactly how affective they are.

PGI: *Is there any solution to "jackpot fatigue" and the dependence on ever-increasing jackpots for on-line games?*

MZ: Jackpot fatigue is a fact of life. Lotto games rely on large jackpots for sales. The challenge is to design other games to achieve other goals. Game such as daily games, fixed jackpot games, unique prize games (win for life) are products lotteries will need to consider in the future for possible product expansion and increased sales.

PGI: *What other states do you anticipate will legalize lotteries in the next few years?*

MZ: Obviously it is up to the voters. But Tennessee, Alabama, North Carolina and North Dakota all have considered introducing lotteries.

PGI: *What additional steps might lotteries in North America take in order to help each other?*

MZ: The standardization of technology effort is an obvious start. Also it is important that NASPL's role in the leadership of lottery business practices continue. For example it is important for lottery personnel to take advantage of opportunities such as the Lottery College and NASPL's regional and national conferences. ■

Mark Zamarripa – The Colorado Lottery's Main Man

If anyone knows the history of the Colorado Lottery, it is Mark Zamarripa – after all, he was the Lottery's first paid employee. Mark began his career at the Lottery approximately 5 months prior to the Lottery's first ticket sales in January 1983.

Zamarripa has held the position of director since May 1994 and is the Lottery's sixth director. Mr. Zamarripa's association with the Lottery began in 1982, when he served as the Lottery's administrative assistant during start-up operations. Zamarripa served several directors as administrative assistant until 1992 when he served as acting operations director – supervising claims, mailroom and data entry staff. Later, as director of policy and planning analysis, Zamarripa managed the Lottery's instant and on-line product managers and statistical staff, researched and implemented Lottery policies, and was involved in budget analysis. In addition, Zamarripa has been the Lottery's legislative liaison for over a decade.

As director of the Colorado Lottery, Zamarripa has lead the organization to increase annual fiscal year sales from approximately \$287 million in FY 94, to over \$410 million in FY 2002.

Mr. Zamarripa holds a B.A. degree in technical journalism from Colorado State University, and a master's degree in public administration from the University of Colorado at Colorado Springs. He currently resides in Pueblo with his wife Sana and two children. ■

Terminal Distribution Programs

Maximizing the Location of Valuable Lottery Devices

Optimizing the allocation of online lottery terminals in the retail marketplace has become a major goal of most North American lotteries. One of the best ways to do that is through a terminal distribution program, which uses empirical data to pick the best places to allocate the valuable machines.

Few North American lotteries have actually participated in the program, but the few that participate typically see positive results. Public Gaming International recently took an opportunity to discuss terminal distribution with two Lotteries that have undergone such a program.

Public Gaming International (PGI): *Why did your Lottery decide to pursue a terminal distribution program?*

Kentucky (KY): The KLC is under an obligation to maximize returns to the Commonwealth of Kentucky. Due to the cost of maintaining our communications system, and the limited availability of terminals, it was essential that the minimum average sales level to insure the efficiency of the retail network is maintained. The establishment of minimum sales requirements ensures profitability of terminal placements while providing reasonable access to on-line games for all citizens of the Commonwealth. The program was also put into place to assist retailers in meeting their full sales potential and increases their profits. We were able to identify profitable retail characteristics, create positive

re-enforcement with successful retailers, and create customized sales improvement action plans for all retailers.

Ohio (OH): In 1979 the Ohio Lottery installed 480 on-line gaming terminals. By April 2001 the number of terminals grew to approximately 6,300. This growth was due to advances in technology, changes in business models and methodologies, and an ever-changing player base.

PGI: *Please describe what your lottery's program entailed.*

KY: KLC reviews each retailer's weekly sales averages for on going 13-week periods. Notification letters are generated in regional offices via electronic files. Letters state the measurement results, minimum sales requirements compared to actual sales. There are congratulatory letters and under-performance letters. Letters are delivered to retailers by reps. Under-performing retailers are placed on sales improvement plans. These are customized action plans agreed to by the rep and the retailer. At the end of the improvement period results are re-evalu-



Ohio Lottery Timeline for Terminal Distribution Project

- Contract awarded to GTECH, the Lottery's vendor, August 2000.
- Project completion date: July 1, 2001.
- Weekly meetings with vendor through July 2001.
- Project staff manager named and additional staff allocated to project.
- 1,200 new on-line terminals available for instant-only agents.
- Convert approximately 6,300 on-line existing terminals.
- Presentation to all regional managers for suggestions concerns ideas, training, marketing and sales, etc.
- Develop training program for all agents.
- Tested terminals in various regions; internal testing of terminal.
- Identify and select terminal trainers; develop training schedule, content, locations.
- All Lottery staff required to attend terminal training.
- Select group of agents/retailers invited to Lottery to test terminals.
- 21 agents served as initial terminal test sites.
- Terminal manual developed, edited as necessary.
- April 2001, installations began.
- Vendor provided installation schedule; Ameritech installed lines for additional agents.
- Software design modified as requested by agents/retailers.
- Lottery staff contacted agents with new terminals to check on customer/agent concerns
- Conversion completed on July 2, 2001. No agent had to be turned off during conversion process. All agents successfully transferred to the new gaming system. ■

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ated. There are exemptions based on remote locations and extenuating circumstances. Terminals can be removed and reassigned if the retailer is consistently below the sales requirement. GTECH also provides us with a database, which supplies predictions for on-line sales for instant only retailers and other non-lottery locations around the state, based on demographic and macroeconomic information.

OH: (The Ohio Lottery submitted a project timeline for our readers. Please see sidebar on page 10)

PGI: *How has the implementation of this program affected sales?*

KY: On-line sales and average weekly on-line sales per terminal have increased since we established the program three years ago. We have increased our on-line sales while actually reducing the number of active terminals at retail over this period of time. The percent of retailers below the minimum sales requirement on a quarterly basis has declined from 15.8% to 6%. We have also been able to recruit some lottery retailers with good on-line potential. Retailers are more cooperative knowing that there is a systematic approach to obtaining a terminal and that it is adhered to.

OH: Since the conversion process was completed on July 2, 2001, the FY 2002 online sales have increased about 55 million over FY 2001, or about 5.9 percent. The average number of online agents has increased 685, or 10.5 percent. The on-line sales have been on a steady decline since FY 1996, with the exception of a 7.6M gain in FY 2000. Sales had the biggest positive gain of \$55 million after the installation of the new Altura terminals. ■



High-Speed Communications Now Permits Rapid Redeployment Of On-Line Equipment

Scientific Games Offers Full Menu Of Solutions To Optimize Sales

Imagine receiving this directive from your lottery commission: We strongly encourage continual evaluation of your retailer network to ensure that you are maximizing the productivity of every piece of on-line equipment.

Satisfactorily and efficiently addressing such a directive requires technology capable of:

- Providing the analytical tools that enable you to make better, more timely decisions relative to terminal placement (i.e., which retailers are top-performers; average performers; and under-performers); and
- Allowing you to quickly move on-line terminals and associated equipment from under-performing retailer locations to locations with greater sales potential.

Until recently, available communication technology did not permit rapid redeployment of on-line equipment from one location to another. Removing a conventional, dedicated phone line from one location and installing a dedicated line in a new location often took months to accomplish.

In the summer of 2001, Scientific Games eliminated this decades-old bottleneck. It did so by developing a high-speed communications link between the lottery's central computer and its network of retailer terminals – something the company had been working to perfect for years.

Today, SGI offers a full menu of high-speed communications solutions that allow lotteries to quickly move terminals and related equipment from location to location. A task that once took months to complete can now be accomplished in a few days.

Says Bill Huntley, President of Scientific Games Systems: "We use whatever is the most appropriate solution for the location –satellite, cellular, radio, or DSL. With our solution, all of the modern telecommunications solutions are easy to reconfigure and support the fundamental principle of easy redistribution of terminals to maximize sales."

Mr. Huntley says that redefining the retailer network to optimize on-line sales is an ongoing process.

"It's not as if a lottery can fine-tune its network one week and then walk away," he says. "The retail environment is constantly evolving, which means retailers who are your above-average performers, today, could very well be your under-performers tomorrow, and vice versa.

"I would also submit that our analytical tools are much better today than ever before, thanks to our having the most advanced systems and relational databases that enable lotteries to drill deeper for customized information, which allows them to make more informed decisions." ■

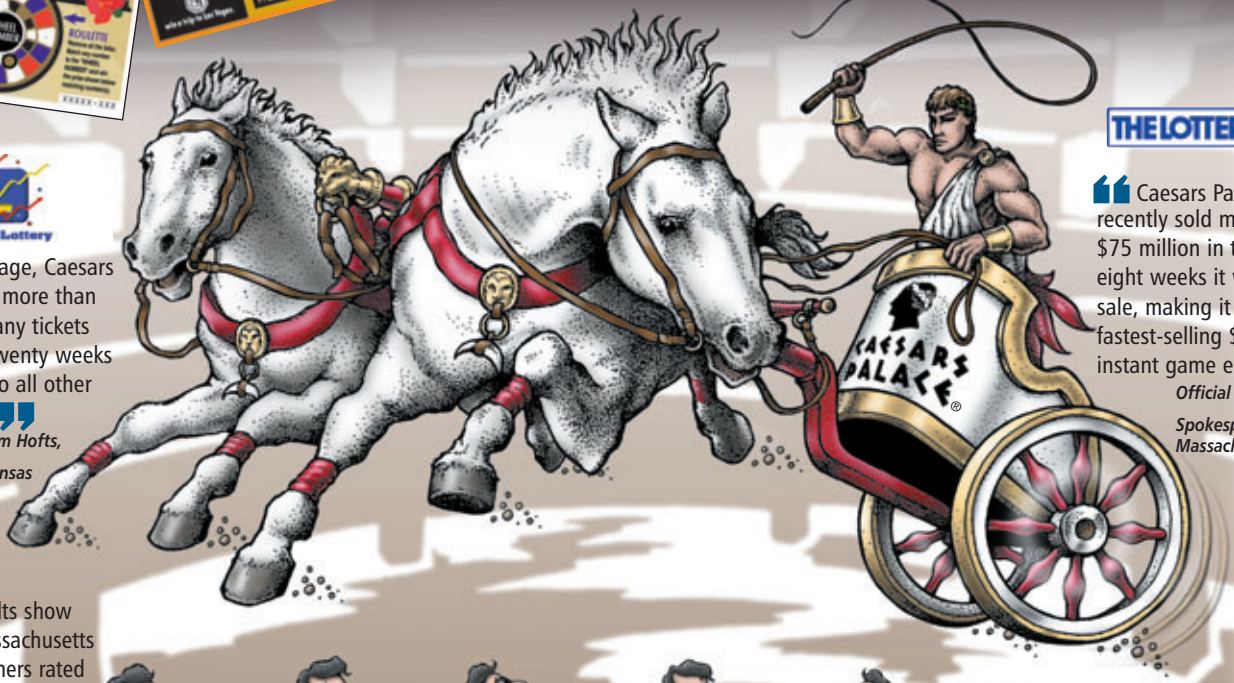
Caesars Rules

Above All The Rest!



On average, Caesars Palace sold more than twice as many tickets in its first twenty weeks compared to all other \$5 games.

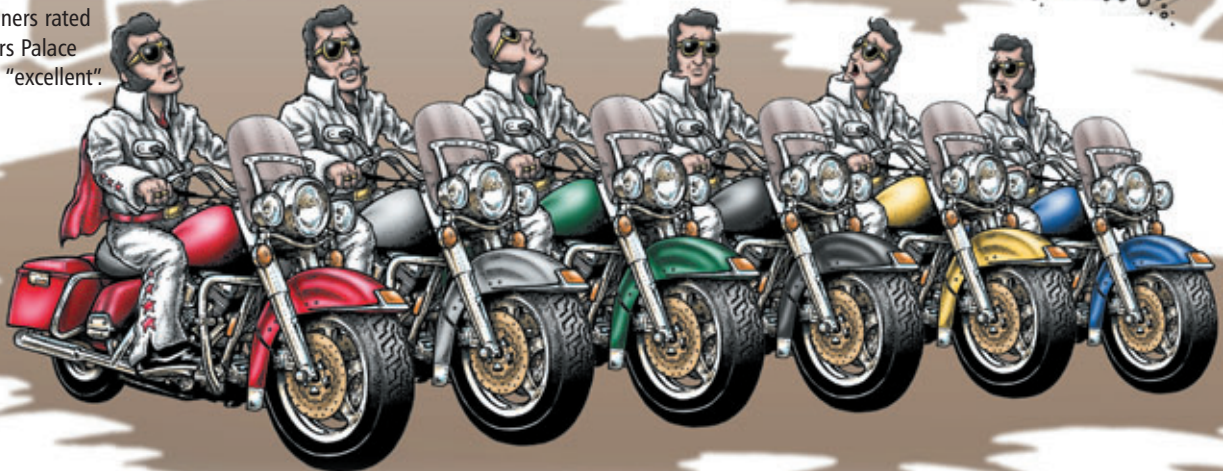
Tom Hofts,
Kansas



Caesars Palace recently sold more than \$75 million in the first eight weeks it was on sale, making it our fastest-selling \$5 instant game ever.

Official Lottery Spokesperson, Massachusetts

Survey results show 90% of Massachusetts Lottery winners rated their Caesars Palace vacation as "excellent".



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Sharing a Commitment Towards Responsible Play

Responsible Play Programs have become a necessity for any Lottery, and any idea that improves such a program goes a long way towards showing the general public that a Lottery is serious about its commitment to responsible play.

In the spirit of sharing ideas, Public Gaming International recently asked several North American lotteries about their Responsible Play Programs.

Arizona

The Arizona State Lottery established its "Please Play Responsibly" campaign and Responsible Gambling Program in 1998. In FY '00, the Arizona Legislature appropriated \$500,000 annually to the Lottery to administer the program. The legislation specifies that \$250,000 must be designated towards problem gambling education and outreach activities and a toll-free problem gambler's helpline. The remaining \$250,000 is designated for free and confidential treatment for problem gamblers and persons directly affected by behaviors of the problem gambler.

In the area of education and outreach, the "Please Play Responsibly" message appears on all on-line terminals, ITVMS and ticket dispensers, and all Lottery-associated written materials as well as promoted at all Lottery-sponsored events and public activities. Additionally, the message is conveyed via television and radio. In June 2001, the Lottery instituted a Responsible Gambling Web Site, which averages about 1,700 visits per month. In addition to providing important information about problem gambling, the site provides information for direct contact with free treatment providers and numerous links to other problem gambling resources.

In April 2001, the program assembled an 11-person Responsible Gambling Advisory Committee, made up of persons representing stakeholders in problem gambling issues. The committee meets regularly to provide guidance and suggestions for continuous program improvement. Recently, the committee endorsed the initiation of a statewide problem gambling prevalence study, which will commence in October 2002. The study is expected to help identify the extent and impact of problem gambling in Arizona.

The Treatment side of the program has recently been placed under the direct oversight of the Lottery. The program hired a full-time program manager to provide leadership for this component and is in the process of developing a new treatment provider system to better serve the needs of problem gamblers and their families.

Atlantic

ALC is working with its shareholders to develop the best means of educating players and the general public about responsible play. Shareholders have initiated a number of services and programs to ensure responsible play in their respective provinces, including restricting play to those of legal age, providing toll-free calling for information or assistance with gaming addiction, retailer training, the addition of responsible gaming features on video lottery terminals, and earmarking funds for provincial programs which address the treatment and prevention of problem gaming and addiction.

Further development of ALC's responsible gaming program is one of the key corporate objectives, and its Communications & Responsible Gaming department is dedicated to the development and implementation of the program. Retailer training is already available in Nova Scotia, and this fiscal ALC will be developing retailer training in the other provinces at both the retail and social channels. New materials at both retail and social gaming sites highlight how to know whether you or someone you know may have a problem. The materials include toll-free numbers for those seeking help or information about gambling addiction.

ALC is part of the organizing committee for Nova Scotia's Responsible Gaming Awareness Week in late October. The week's goal is to increase awareness of the importance of playing games of chance responsibly.

This year ALC will be exploring the possibility of an introduction of a responsible gaming council in Atlantic Canada.

D.C.

The D.C. Lottery is in the process of expanding its responsible gaming program and adding a component to coordinate compulsive gambling related issues with the National Council on Problem Gambling. Currently the D.C. Lottery maintains a list of problem gambling numbers for referrals, and includes "Play Responsibly" commentaries in all written communications to lottery agents and players. To reinforce the Lottery's commitment to players and the community, the "Play Responsibly" logo

LOOK WHAT'S NEW!

WE'RE BACK ON TOP... OF THE COUNTER!

#113 STACK SETS



#113x16 #113-HANG #113x12



#113x16-GAME #113x12-GAME



#412-OC ON-COUNTER



#704-BB
BACKBAR

TAT
TAKE-A-TICKET, INC.



#702 HIGHLIGHTER



#715 SLOTS OF LUCK

appears on all promotional materials and tickets. When high jackpots create a buying frenzy, sales messages are changed to reflect the "Play Responsibly" message. Special events and promotions are reviewed to ensure that underage audiences are not targeted and lottery retailers are given constant reminders via training classes regarding underage gambling.

As part of the expanding program, the D.C. Lottery has adopted initiatives such as a link on its website to address problem gambling. In addition the lottery is contracting counseling services, including referrals to treatment facilities, to assist those with gambling problems. Additional dollars are being allocated to produce educational videos to train lottery staff and agents about underage and problem gambling.

Finally, advertising dollars are being identified to develop "Play Responsibly" public service announcements, and print ad campaigns, and the Lottery has added a "Play Responsibly" tag line to each televised lottery drawing.

Hoosier

The Hoosier Lottery's Play Responsibly program focuses on two issues: the prevention of underage play and adult players who may have a problem with compulsive gambling behavior.

The Hoosier Lottery informs its retailers, and includes as a term of the contract to sell Lottery products, the requirement that tickets not be sold to anyone under 18. The Lottery also provides point of sale pieces and other advertising materials for retailers featuring the "18 or older to play or its no way" catchphrase.

In addition, the Lottery has a "three strikes and your out" policy requiring that a retailer's contract be terminated if the Lottery determines that minor's have purchased tickets three times at that location. Additionally, retailers who sell tickets from ITVMs are required by contract to locate those terminals within sight of an employee at all times and to have remote shut-off devices to prevent purchases by

minors. The Lottery will not place an ITVM with a retailer located within 1,000 feet of a school.

The Hoosier Lottery's Play Responsibly message and Gambling Addiction Hotline is included on all tickets and retailer postings. In addition, the Lottery's Web site includes a Problem Gambling Resources page that links to various problem gambling assessment and treatment resources. The Hoosier Lottery also produces public service announcements for television and radio reinforcing the message to play responsibly and put loved ones first. These are most heavily broadcast during the large jackpot periods.

The Hoosier Lottery's self-imposed guidelines governing the content of its advertising also prohibit messages promoting Lottery play as an alternative to financial planning, a way out of difficult financial circumstances or encouraging people to play excessively.

Iowa

The Iowa Lottery has taken a two-pronged approach to encourage customers to play responsibly while reminding retailers to enforce Iowa's age restriction on lottery ticket purchases.

Through three public-service announcements and a training video, the lottery offers a variety of reminders about both issues. In one public service ad, the executive director of the state's Gambling Treatment Program reminds Iowans to call a toll-free assistance hotline (1-800-BETSOFF) if they or someone they know has a gambling problem.

Another lottery ad features Dr. Howard Schaffer, director of the Division of Addictions at Harvard Medical School. In it, he discusses the ongoing research into the causes of addiction and encourages Iowans to call the gambling assistance hotline if they need help with issues of compulsion involving gambling.

A third Iowa Lottery ad and a training video are designed to help enforce the state's age restriction on the purchase of

IGT – True Corporate Success Through Responsible Gaming

Social responsibility is sometimes overlooked in the struggle to succeed. International Game Technology, known simply as IGT, understands that true corporate success involves more than the bottom line. A Corporate Responsible Gaming Program is one way to meet that objective.

Although studies show that problem gambling affects only a small percentage of the population, IGT believes it is incumbent upon all stakeholders in the gaming industry to take a pro-active approach to addressing problem gambling. Until recently companies in the business of providing technology to gaming operators, and who do not interface directly with players, have not considered it their job to take an active role in responsible gaming. As the only company providing gaming machines and systems to casinos, lotteries, racetracks, Native Americans, and government markets, IGT is unique. IGT's recent appointment of Connie Jones as Director of Responsible Gaming

makes IGT the single gaming technology provider in the world with a full time position dedicated to responsible gaming.

IGT's formal commitment began in 1997 with the creation of a formal Responsible Gaming Program. Since that time the company has contributed over \$600,000 to the National Center for Responsible Gaming (NCRG) for research and education. That research includes studies on pharmacological treatment of gambling disorders with the drug naltrexone. The NCRG also has supported research into the genetic factor in the development of gambling addiction. The education dimension of the NCRG mission is fulfilled by a variety of programs, activities and an annual conference. This year's event held at the Mirage hotel-casino in Las Vegas, was titled "Toward Meaningful Diagnosis of Gambling Disorders: From Theory to Practice."

Parallel to IGT's support of the NCRG is its commitment to the National Council on Problem Gambling (NCPG). Headquartered in

lottery tickets. Players in Iowa must be 21 to buy lottery products. The video shows retailers different situations in which underage customers try to buy lottery products and presents options for stopping them.

The lottery ad focusing on the issue features the lottery's director of security. He encourages people to call the lottery if they see someone underage buying tickets.

Minnesota

The Minnesota Lottery has worked cooperatively with organizations advocating for problem gamblers to develop programs for education, prevention, and treatment. The Lottery provides all state funding for programs relating to problem gambling, and has lobbied extensively in support of these programs. The Lottery has helped public health organizations develop and print material, prominently posts brochures and the Problem Gambling Helpline number at all retailer locations, and is an active member of the Minnesota Advisory Council on Problem Gambling, the Northstar Problem Gambling Alliance, and the National Council on Problem Gambling.

All Lottery advertising includes a message about underage play, and the prohibition on play by minors is prominently displayed at all retailers. The Lottery's retailer newsletter includes a regular column about problem gambling, and we have provided multiple training opportunities for lottery staff.

Missouri

The Missouri Lottery is a founding and primary member of the Missouri Alliance to Curb Problem Gambling, and coordinates the budget and scheduling for the organization. The Lottery is fully responsible for the creation and production of all statewide collateral materials, including campaigns for a general audience, older adults and youth. The Lottery also created and manages the Alliance's Web site at www.888BET-SOFF.com, created and produces the quarterly Bets Off Bulletin

and pays to run TV and radio ads promoting the toll-free help line. The Lottery includes the toll-free help line number on all tickets, brochures and publications, and promotes the number on billboards in major cities. The Lottery also helps to fund educational speakers for statewide meetings, coordinates events for Missouri's Responsible Gaming Education Week, and was instrumental in helping Missouri to become the first state in the U.S. to set aside a week for such education.

Most recently, the Lottery coordinated the creation of a youth addiction prevention program that is being presented in schools throughout the state, and this past summer, the Lottery created and produced a youth addiction prevention video that is being provided to schools throughout the state, along with a facilitator's guide.

New York

The New York Lottery created a Problem Gambling Awareness program with a full-time Director. The program continually reviews marketing and promotional materials for problem gambling awareness opportunities, has published a brochure describing the program, supplies brochures and posters at all Regional office claim center and retail locations, has ensured that the Problem Gambling Help Line number appears on all tickets, playcards, game brochures, terminal toppers, change mats, ITVM terminals, the retailer news, and posted problem gambling information on the Lottery website with links to Gamblers Anonymous and the New York Council on Problem Gambling. In addition to this, the Lottery's program features regular articles in the Lottery retailer newsletter, displays Problem Gambling materials at Lottery events, has increased the size of the informational retail stickers for minimum age requirements and has produced public service announcements on problem gambling for radio, television.

The New York Lottery has established the "18+ Program" to help eliminate ticket sales to minors, and enforces the

...continued on page 27

Washington D.C., the National Council is the oldest and largest organization in the country dedicated to addressing the issues of problem and pathological gambling. Their mission is to expand public awareness of problem gambling, to enlarge the availability of treatment for gambling addiction, and to encourage research and programs for education and prevention. The National Council maintains a problem gambling helpline in 50 states and has grown to include affiliates in 34 states. IGT was a key sponsor of the NCPG's 16th Annual Problem Gambling Conference held in Dallas TX this year. As a direct result of IGT's role with the NCPG, Don Feeney, MN Lottery, was nominated and elected to serve on the Board of Directors. This is the first time in the history of the NCPG that a lottery employee has been a member of its Board.

The NCRG and the NCPG represent the two largest entities in the country dedicated to addressing problem gambling. IGT President

and CEO, Tom Baker, was recently appointed to the Board of Directors of the NCRG, and Connie Jones currently serves on the Board of the NCPG. IGT has always encouraged community involvement by its employees and responsible gaming is no exception. A number of employees play an active role in local and state groups with a responsible gaming mandate.

IGT's commitment to responsible gaming does not end with support of and participation with these two organizations. Customers are often included in responsible gaming awareness promotions conducted for employees. Last month IGT and its subsidiaries participated with the American Gaming Association (AGA) in sponsoring the fifth annual "Responsible Gaming Education Week." The company works closely with public policy makers to encourage inclusion of responsible gaming guidelines as part of any new or enhanced gaming program. ■

Life On the Cutting Edge

SGI pours \$4 million into press upgrades
in last 12 months

Dan O'Bryant examines the customer press proof, his eyes acutely focused on the preciseness of color and on the finely detailed, wood-grain background. Within minutes, he pronounces Game 220 ready for press.

"Wood-grain backgrounds used to give our flexography press fits," admits Mr. O'Bryant, Scientific Games' Manufacturing Manager, whose department is the last to pass judgment on the quality of a press proof before millions of tickets are printed. "With flexography, the fine detail always presented a difficult make-ready challenge, but with our new direct-to-plate or DTP system, we are now able to match colors and these kinds of detailed backgrounds almost perfectly on our first try. Plus, and most important, the overall print quality will visually improve."

Mr. O'Bryant is no printer apprentice. He has seen it all. A 30-year veteran of the printing industry, he has lived his entire professional life on the edge – the cutting edge.

"In my career, I've always tried to stay on the cutting edge of technology," says Mr. O'Bryant, who joined Scientific Games four years ago. "One of the first things I wanted to accomplish when I came to SGI was to transition our flexography printing process to direct-to-plate technology. Unfortunately, until very recently, the technology could not be applied in flexography printing applications, and therefore, couldn't work its magic. DTP is just now coming into vogue in the flexo end of the business."

SGI's DTP capital investment represents nearly 25% of the \$4 million in printing improvements the company has made in the last 12 months.

What is Direct-To-Plate (DTP) Technology?

To fully appreciate DTP technology is to first understand the nearly 14-year-old pre-press process used to print scratch-off lottery tickets:

- | Step | Conventional Pre-Press Printing Process |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Graphic artist creates electronic ticket artwork on a Macintosh computer system. |
| 2 | Artist sends customer-approved artwork to a special file on the company's server. |
| 3 | Pre-press operator retrieves electronic artwork from server and converts it to what SGI calls, File Management. Here, the operator prepares the artwork to enable color separations. |
| 4 | Color separations are plotted to an Avantra film setter, which produces separate pieces of film (up to 21 pieces on SGI's flexography press). The film is required to transfer the graphic images onto the printing plates. |
| 5 | Film negatives are burned onto printing plates. |
| 6 | The printing plates are mounted onto print cylinders, each one loaded into its appropriate unit (or station) on the press. |
| 7 | Press is ready (i.e., make-ready is complete) and tickets can now be printed. |

Says Mr. O'Bryant: "DTP eliminates films. So you're going directly from the software on your Macintosh to a



Dan O'Bryant, Manufacturing Manager,
Scientific Games International

laser, which goes directly to the plate. This allows you to bypass the film altogether, giving you first-generation dots and eliminating the human error of punching film and re-registering.

"Eliminating the need for film, and also eliminating the need for solvents by using the DuPont FAST plate processor to develop

the digital plates, means DTP technology is more environmentally safe than conventional plate making technology."

Mr. O'Bryant says that what customers will notice – particularly those who are color connoisseurs and who have looked at lottery tickets for a long time – is that the printed product will appear sharper, crisper and have more detail. Also, when they request a pre-press change, that change will now be able to be made much quicker than in the past.

Enhancing the graphics: How is this possible?

To produce a high quality product, SGI must match the colors and intricate line-art in the customer-approved color proof to the actual printed tickets that go on sale to the public.

If you look at a printed ticket under a magnifying glass, you will notice that it is made up of a series of dots. The goal of the printer is to effectively control the application of these dots in order to produce the effect of a continuous tone image, or a photograph.

The difficulty is that printers – and not just lottery ticket printers – encounter what is known as dot gain, a characteristic inherent in all major printing processes. The use of film during plate making – plus the actual press run, itself – both tend to increase the size of the dots – hence the term, dot gain.

Let's say, for example, that the dots in one area of your scratch-off ticket need to be 50% in size to yield an optimal image. Once the press begins to roll, the inks applied to the various dots that make up that image will inevitably increase in size.

If the dots increase in size from 50% to 60%, printers use a mathematical model to compensate for this 10% overage. The pre-press operators may need to reduce the 50% dots to 32% dots, so that when the tickets are printed, the inks – once they hit the dots – will pull up each dot to the optimal 50% size.

"Even with DTP Technology, you will still have to compensate for dot gain, just not as much," says Mr. O'Bryant.

"Because dot gain is less, the dots are much sharper, and thus they print cleaner."

How Do Lottery Customers Benefit?

Mr. O'Bryant says the DTP investment is a significant one, designed to give customers a better-looking ticket, cleaner press-proof sheet, faster turnaround, and quicker make-ready.

Essentially, the overall quality of the product is enhanced and the process streamlined. On a much more consistent basis, customers will notice that:

- The improvement in print quality produces a better-looking ticket;
- Colors on the press-proof sheets look crisper and cleaner;
- The actual printed tickets match the customer-approved color proof;
- Press set-up and color registration is much faster;
- Dot gain is reduced, which means better control over the quality of the final product;
- Details of the artwork, such as shadows, highlights, and wood-grain backgrounds are more precise.

All of which is precisely what customers want to hear (and see).

SGI's \$4 million R&D investment has taken print quality to the next level. Scientific Games is the first printer in the southeastern U.S. to utilize DTP on its flexography presses and is currently the only lottery printer using DuPont's FAST plate processing technology. ■



Customer-approved electronic artwork can now be sent directly to a laser and then onto the printing plate. This advanced process eliminates film negatives, which, in the past, have been required to transfer the graphic images onto printing plates. SGI now uses the DuPont FAST plate processor to develop digital plates. DTP technology gives customers not only a better-looking ticket, but also eliminates the need for solvents, and, therefore, is more environmentally safe.

North American Lotteries Expanding Internet Ideas

Most North American Lotteries are constantly in search ways to maximize Internet opportunities. From using the Net to drive new games, to just pure Internet entertainment, here are some of the ways that Lotteries are trying to make the most out of the Internet.

California

In addition to several interactive Instant games that players can sample, the California Lottery has instituted its Lotto Captains program, which enables Lotto group leaders to register and receive updates via the internet. The California Lottery had over 10,000 registrations in its first year of this program.

The Lottery is currently initiating a retailer section of its website, where its 19,000 retailers will be able to check their accounts, track inventory and perform other essential tasks.

Kentucky

The Kentucky Lottery's site was redesigned in December of 2001 and has since seen tremendous growth. The new design is more flexible and allows the Lottery to do more direct marketing. The large window in the center of the home page is changed several times a month to make sure players are aware of the newest scratch-off, current promotions, or any other pertinent information. This allows the Lottery to keep the site fresh and new for its players.

In March, KLC launched the Player's Fun Club on its site. In addition to several standard Player's Club perks, the Lottery

uploaded Internet only play-for-fun games – each associated with an actual KLC game. In some instances the Internet game has been used to teach players how to play the KLC game.

With the site redesign, KLC added the ability for players to view Lottery drawings online, which is especially popular with Tennessee players who are unable to watch drawings on TV.

The KLC site is also used for procurement. Potential vendors can use it to find out what bids are currently open and print off all the information they need right there. Potential retailers can print off all licensing documents from the site. Additionally, people seeking employment with the Lottery can visit the site to view job openings and send their resume via email.

The Lottery has a lot of Internet projects in the works. KLC is currently working with IBM on an e-business infrastructure whereby retailers will be able to access their account online, and is working with Creative Alliance on developing the ability to email bar-coded Lottery coupons to Player's Fun Club members.

KLC hopes to expand the retailer section of its site and offer such things as a retailer message board and a retailer guest book whereby retailers can receive email updates. The Lottery plans to post winner fliers to the web site that retailers will be able to download and use in their stores.

Maryland

While the Maryland State Lottery uses its award-winning Web site as its primary way of delivering news and information to the public, the Lottery is taking the idea of an infor-

Scientific Games Offers Two All-New Web-Enabled Products

Scientific Games – the company that has been setting the pace in technology innovation for the last 5 years – is at it again.

Pre-Paid Account

SGL's Pre-Paid Account allows players to purchase on-line vouchers or preprinted account cards from licensed lottery retailers for future play – either on the Internet or over the telephone, or both. SGI believes the preferred method of play will actually be via telephone.

Says Bill Huntley, President of Scientific Games Systems: "We have had tremendous success with telephone account wagering in our horse racing business. In fact, we now process over \$1 billion dollars a year through telephone account wagering and it is the fastest growing segment of our racing business. This rapid growth makes sense when you compare the convenience and availability of the telephone to the Internet."

Mr. Huntley acknowledges that the Internet does have an important role to play in account wagering.

"In addition to providing a secondary means of play, it is an ideal medium for account maintenance, allowing easy access for a player to check the status of his or her account," he says.

Lotteries retain the loyalty of their retailers because commissions are paid on the account card sales at the retail location. Age control is also maintained, just as it is with traditional lottery sales.

For playing over the telephone, SGI's sophisticated Interactive Voice Response (IVR) system offers two modes of operation. Lottery plays can be made using the phones touch-tone keypad or, if the player prefers, the IVR system is enabled with Natural Speech Recognition (NSR).

"NSR has reached a level of performance that makes it an ideal user interface for simple transactions, such as lottery play," says Mr. Huntley. "SGI believes the addition of NSR will make the telephone even more likely to be the medium of choice for playing the lottery."

With each of these solutions, players have the option to play their favorite on-line games over a multi-week period.

mation outlet one step further. The Lottery plans to make the site an even more efficient online "press kit" – a one-stop source for detailed lottery information. This includes a micro-site created for supporting news release archives that can be researched by journalists. The Lottery hopes to be able to track which media outlets are visiting the site as a way of determining what information is actually valuable to them.

In addition to information on Lottery players and other Web sites, the site will offer scratch simulation games and other contests that can be played online for promotional giveaways.

Michigan

The Michigan Lottery's Web site receives over 10,000 hits per day from people seeking Lottery information. The Lottery used this traffic to the advantage of its marketing department in FY01 by conducting a player survey via the Web site. For a specified period of time, when players logged into the Lottery's site they had the opportunity to complete a short survey regarding the Lottery's instant games. The survey presented different instant game concepts and players were asked to rate the games on how well they liked them and then comment as to why they liked them or did not like them.

New Jersey

The New Jersey Lottery updated its website last year to include, among other things, access to live Lottery drawings and television commercials. All of the Lottery's drawings are broadcast on NJN-TV. Players are able to watch the live lottery drawings through a plug-in on the website as well as access a video archive of previous drawings going back seven days. The Lottery Commercials page allows viewers to watch the most current Lottery commercial online, with a click of the mouse.

Ontario

The OLG currently operates four sites which use the

internet in different ways. A consumer site at www.olgclotteries.ca features daily winning numbers, how to play game information, profiles of Jackpot winners and subscription service, while a corporate site at www.olgc.ca features information about the OLG.

A retail extranet site, for retailers only, is a private access site that gives retailers information about their accounts, sales promotions and new products.

An employee intranet site, available to OLG employees only, features corporate news, job postings, highlights of corporate events and developments.

Oregon

The Oregon Lottery uses its web site for marketing and public information purposes. The Lottery offers a number of second chance promotions that are web site-oriented, which require people to visit the site in order to participate.

Recent additions to the site include a feature that allows Lottery retailers and clerks to order quality Lottery merchandise on-line; and a new section on Video Lottery that positions Video as an entertainment product, and educates about the benefit of VLT profits. The Lottery is exploring creating demonstration games that mirror its new bonus poker games.

The Lottery also launched a new web site, www.oregonplaytime.com, which invites emerging players to enjoy the fun and excitement of playing Lottery games. The site is part of the new Playtime marketing campaign.

South Carolina

In FY03 the SCEL plans to offer at least one instant game with a "web bonus" feature. This feature would allow players who come to the internet an extra chance to win a prize by typing in a code found on their instant ticket. Prizes associated with the web bonus feature will include cash, lottery merchandise and possibly retailer discounts. ■

Regardless of how players choose to play, they will have the convenience of confirming their activity through SGI's "web-enabled" AEGIS' system. Lottery plays can be confirmed via an e-mail response (i.e., the system immediately sends back an e-mail confirmation); or the player can simply access their account on the Internet and review all activity at their leisure.

The infrastructure is also in place whereby, if a lottery chooses, the AEGIS' system can actually call and leave a voice-mail message that alerts the player that he/she has won a prize.

For redemption, players must take their account card back to the retailer, who then scans it through the terminal. The terminal monitor flashes the up-to-date dollar amount for that account, at which time the player has the option to take all of the money; cash out a portion of the winnings and save the rest for future plays; or save the entire credit for future play.

An SGI MAP Of The Future

The company's newest web-enabled business solution is known as

SGI MAP (Market Analysis & Planning). A secure, interactive analysis tool, SGI MAP is a vast database of information that allows participating lottery customers to measure the past performance of scratch games and plan for their future offerings.

"Right from their desktop, lotteries can access and analyze the past performance of each scratch ticket by examining its associated attributes," says Jim Kennedy, SGI Vice President, North American Sales and Marketing. "This is an incredibly powerful instant game planning tool that we will continue to enhance over time in collaboration with our customers."

While SGI's MAP system is far more comprehensive than anything like it in the past, it derives its real power from "web-accessibility." Now, for the first time, lottery mobile teams of Divisional Sales Representatives (DSRs) can access the same information as their desk-bound colleges via wireless web-enabled PDA devices.

Says Mr. Kennedy: "This puts up-to-the-minute information where it is needed most – in the hands of the lottery professionals who are the frontline ambassadors for sales growth." ■

NASPL/WLA Preview

With the prospect of two of the biggest lottery conferences of the year on the horizon (in fact, you very well may be reading this magazine at the NASPL Conference), PGI felt it was appropriate to give readers a taste of what one will see at the vendor booths this year.

The following vendors were kind enough to send us a preview of what they'll be showing in their booths. So, whether you're in Baltimore, Maryland (NASPL), or Adelaide, Australia (WLA), be sure to stop by and see up-close the products that the following vendors will be putting display.

IGT

IGT's exhibit at NASPL 2002 will showcase a variety of video slots, spinning reel slots, and VLTs. Within the IGT exhibit will be Lottery division companies, IGT Online Entertainment Systems, Inc. and VLC, who will present a selection of their products for the on-line and video lottery markets.



IGT's iGame-Plus video slots will include Enchanted Unicorn', The Munsters', Lucky Larry's Lobstermania' and Super Cherry'. The S2000 spinning reel product line will be represented by Big Times Pay' and Triple Double Red, White & Blue'.

VLC will display several video lottery multi-game machines highlighting its newest spinning reel games, Center Ice' and Max Warp'; an exciting new combination Stud and Draw poker game, Ace in the Hole'; and Shake Dem Bones', a new gamble/double-up feature. VLC will also demonstrate its new PowerTransfer technology that allows users to download site controller and VLT software from VLC's central system to any video lottery site without technician assistance at the site. PowerTransfer is the first complete downloadable software system that works with multiple vendors' VLTs.



IGT Online Entertainment Systems, Inc. ("IGT Systems") will showcase their recently patented group participation concept. The newly patented

concept has had great success for the Maryland Lottery as "Keno Bonus". IGT Systems will host live Maryland Keno drawings in their booth. In addition, IGT Systems will display retailer terminals, manufactured by strategic partner, Wincor Nixdorf. IGT Systems' innovative on-line lottery system, system2G, will be demonstrated.



ILTS to Introduce Modular Intelimark FLX at WLA Congress

At the World Lottery Association Congress in Adelaide, Australia, the ILTS stand will feature the Intelimark FLX, a modular version of the advanced Intelimark touch screen lottery terminal, packaged to offer maximum flexibility for retailer convenience. All components that make up the complete terminal are freestanding modules that can be arranged to meet the unique requirements of each retailer location.

The Intelimark FLX is an ideal alternative for gaming operations where cost is a critical factor. It incorporates many of the same components found in the standard Intelimark terminal employing a modular approach that achieves significant cost savings and provides a high degree of flexibility. It is available with a 12.1", 15" or 17" TFT Active Matrix touch screen display with 64K colors, which provides optimum flexibility to configure the operator interface to suit specific requirements. Its patented,



custom-tailored graphical user interface reduces the number of steps in selling and guides the operator through all essential functions. The high-speed contact image scanner will accept A4 size slips and combines with a high-resolution thermal printer to provide additional flexibility for introducing new games and special promotions.

The Intelimark FLX utilizes the same open architecture, PC-based technology, which provides the flexibility to quickly and economically respond to the dynamic needs of both players and retailers. Its high-speed, standard platform Pentium CPU is upgradeable, and has the ability to take advantage of application programs and expand operations with new functions in the future.

INTRALOT USA brings the stars to you!

You don't need to be a stargazer to find CORONIS or ATRIS. They will be appearing live and in person at the INTRALOT USA booth.

NASPL '02 will mark the official debut of INTRALOT USA. A Georgia-based company, INTRALOT USA will display a sampling of the products and services which are being offered to the North American market. While a full service, independent US Company, we are able to benefit from the resources and expertise of our strong, experienced, well known, parent company, INTRALOT SA. As a worldwide provider of gaming systems, INTRALOT clearly shares "the Love of the Game"!



Attendees will have the opportunity to meet our team of seasoned, lottery professionals and experience a "hands on" demonstration of a few of our star attractions.

The CORONIS family of products is designed to meet the undeniable transformation of the gaming and wagering industry. The CORONIS terminals have been designed and developed for serving the needs of lottery retailers throughout the world. They are user-friendly terminals that incorporate leading edge technology and feature revolutionary ergonomics and innovative capabilities.

We will also display another line of quality, reliable, high performance terminals--ATRIS. It is no longer necessary or advantageous to have a "one size fits all" mentality. With INTRALOT's varied selection of terminal types, lotteries can offer their retailers the most efficient and effective terminal to maximize their point-of-sale performance.

The integrated lottery and gaming systems developed by INTRALOT rank among the most advanced and flexible systems available worldwide and are distinguished for their quality, reliability, adaptability, and secure operation. Stop by and see what our Stars can do for you!



Interlott

On display at Interlott's booth #316 at NASPL 2002, are several new lottery ticket dispensing solutions. One of the most unique and innovative is the new GameGuard% Lottery Ticket Management System, a completely secure auto-

matic dispensing system with built-in accountability and retailer passwords. The system is designed for use in both convenience and multi-lane retailer environments. GameGuard% is available in 12, 16 and 20 bin formats and allows lotteries to expand their ticket distribution while providing much needed security for their retailers.

Interlott's new Compact ITVM is also featured at this year's conference. This 4 game unit is designed for wall mounting and is ideal for placement in age controlled environments such as bars and Keno locations, where extended play tickets are popular. The Compact ITVM also gives lotteries the opportunity to provide vending solutions to retailers with limited floor space, both in the United States and internationally. It is available with either a bill or coin acceptor and will accept most international currencies.

The latest ITVM and PTVM technology available will be exhibited at NASPL '02. Interlott's Expandable Dispensing System (EDS) is now in use by several lotteries and can be field upgraded to accommodate additional bins, up to 24. Most recently, The California and Illinois lotteries have placed orders for EDS machines. Interlott's new pulltab vending machine has just been introduced in Indiana, with outstanding initial results. The new machine incorporates electronic price display push buttons and a large ticket window for easy viewing of the tickets.

Checkwriter%, a multi-lane environment solution, provides lotteries with a preview of future instant ticket distribution solutions. Designed for placement in the checkout lane, Checkwriter% is an automatic dispenser where lotteries can market their most popular games and capture in-lane sales - something that has not been available until now.

MDI

MDI looks forward to meeting with you during the Adelaide conference, and sharing information with you about MDI's world famous licensed lottery properties. Having provided over 150 licensed games to 93% of the lotteries in North America, we are eager to extend the benefits of this exciting element of lottery marketing with the rest of the industry.

Lottery games and promotions licensed through MDI have now made their debut on three continents outside of



North America. Imagery associated with 2002 FIFA World Cup Korea/Japan™ was licensed by La Francaise des Jeux and the China Sports Lottery. Meanwhile, the legacy of the 20th Century's most exciting pop culture icon, Elvis Presley®, was celebrated with scratch-off lottery tickets introduced in Ireland by the

An Post National Lottery and in Australia by the New South Wales Lotteries Corporation.

As 2003 approaches, MDI is building its portfolio of world famous entertainment icons with lottery licensing opportunities now available for two of the most famous Hollywood celebrity icons of all time – Marilyn Monroe and James Dean. Let us show you how you can package Marilyn, James and Elvis into a "Hollywood Stars" game that is sure to build your base of scratch game players. MDI's exclusive relationship with many of Hollywood's entertainment giants enables us to create outstanding "show business" themed vacations that you can offer your players as bonus prizes.

The popularity of NBA basketball is expanding around the world and is now available for lottery games through MDI.

Classic cartoon character Betty Boop™ has made a big splash as a successful lottery product in the USA. Now MDI adds two more of the world's most well-known and well-liked animated characters – Popeye the Sailor Man™ and the Pink Panther™.

See you at the WLA Congress!

Scientific Games

Every lottery trade show...the rumors fly.

Did you hear about this? Did you see that? Did you check out their hospitality suite?

In the true spirit of what has become an annual rite of passage in our industry, here's the buzz you'll be hearing about Scientific Games at NASPL and WLA this year:

"Did you see the company's new web-enabled products – SGI MAP and its Pre-Paid Account Internet solution? I hear these products help address some very real needs in our industry."

"And what's this I hear about an SGI solution that allows a lottery to download video e-mail messages from



the AEGIS central system to the Extrema retailer terminal in mere minutes?"

"Did you hear about SGI's significant investment in direct-to-plate technology and how it produces a better-looking ticket, cleaner press-proof sheet, faster turnaround, and quicker make-ready? And did you see the article on this very subject in this issue of Public Gaming?"

"And what in the world is all this talk about SGI's hospitality suites – something about connecting with the Kozmos in Baltimore and swinging on a grapevine in Adelaide? Sounds interesting...I'll have to check them out!"

Yes, at this year's NASPL and WLA trade shows, there will be plenty of buzz about SGI – both at our booths and in our hospitality suites. Why hear about it secondhand when you have our personal invitation to observe every aspect of it up-close-and-personal – from our newest instant game and on-line systems solutions to the fun and excitement that is synonymous with SGI people and events.

We look forward to seeing you! Let the buzz begin!!

TAKE-A-TICKET

TAKE-A-TICKET, INC. has come full circle and is high-lighting single game dispensers for the lotteries again. 17 years after introducing the first ticket dispenser, TAT is again making individual dispensers to highlight special games. Higher price point, special sized, special play tickets, and a variety of licensed properties have created a need for special dispensers to set these games apart from the existing games offered. The Connecticut \$30/30th Anniversary game, "I Love Lucy", "Wheel of Fortune", and "Harley Davidson" games all benefit from rising above the other games or standing alone at the point of purchase. Highlighter dispensers also offer a way to show the "regular" games the lotteries introduce at regular intervals.

A recent idea that has generated interest with the larger c-store chains is color powder coating the metal frames for the in-counter dispensers. The powder coating process gives a durable finish and is available in a variety of colors that attracts the attention of customers as they approach the counter in the c-stores. Colors are available to match the color schemes in the stores of the larger corporations or to use the colors of the lottery. Powder coating offers an inexpensive way to highlight the dispensers and attract attention to the games. ■



Lottery News

Delaware Discontinues Televised Drawings

The Delaware State Lottery discontinued televised lottery drawings last month. Lottery officials stated that, with an annual cost of \$400,000, and only seven percent of players learning winning numbers via television, televised drawings were no longer cost effective. Other modes of finding the numbers include newspapers, retail locations, the state's 800 phone number and television news. Additionally, drawings will still be filmed, and can be viewed on the Internet at www.delottery.com.

Tennessee's Referendum Gets Top Billing

Tennessee's lottery referendum will appear on the top portion of the state's November 5th election ballots – just below the top-billed governor's race. That's good news for Lottery proponents. To pass, the lottery must be approved by a total that equals at least 50% of the votes cast in the governor's race plus one. In past elections far fewer people have voted on constitutional questions than on more high-profile races. If this is the case this year, the Lottery would need to gain an overwhelming majority in votes cast to prevail.

Florida, West Virginia Receive Awards

The Florida and West Virginia Lotteries were recently honored by their respective states. The Florida Lottery

Communications Office won the prestigious "Golden Image" Award from the Florida Public Relations Association (FPRA). The Office won the award for its Fantasy 5 Press Kit entry in the Promotions/ Marketing category.

For the fifth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the West Virginia Lottery. The award recognizes the Lottery's comprehensive annual financial report.

Connecticut to Host NASPL Security Director's Conference

Dr. Henry C. Lee, Director Emeritus of the Connecticut State Police Crime Lab, will be the keynote speaker at this year's NASPL '02 Security Directors' Conference, hosted by the Connecticut Lottery Corporation. Dr. Lee is widely considered to be one of the world's most skilled forensic scientists.

In addition to Dr. Lee, Special Agent Craig Olsen from the FBI will speak on the topic of "Homeland Security and Terrorism."

Security Directors from all lottery jurisdictions are invited to attend the two-day conference, which will be held on October 29, 30 and 31 at the Westin Hotel in Providence, Rhode Island. Information about the conference can be found online at www.ctlottery.org/security.htm. ■

People

The Kansas Lottery has made some personnel changes over the past several months. Public Information Officers, **Jane Elliott** and **Madinah Hazim** have now joined Product Development Manager **J.O. Walker** under the executive department section of the Lottery. **Meg Bieberle** has moved into the advertising coordinator slot in marketing, which was previously held by the new Director of Marketing, **Colleen O'Neil**.

The Idaho Lottery promoted **Mike Helppie** from deputy director of sales to deputy director of sales and marketing. Mike has been with the Idaho Lottery for thirteen years. **Jennifer Gelband** is the Lottery's new public information specialist. She is the contact for the media, the public and the state legislature.

After more than 14 years with the Virginia Lottery – and more than 30 years of state service – **Lou Stafford** will retire, effective January 2003. Stafford began her Lottery tenure in 1988 as director of internal audit, and became chief of staff in 1998. Other Virginia changes include **Mark Merritt** being named director of sales. Merritt has been with the Lottery since sales began in 1988. Merritt's Lottery experience includes managing the Roanoke Valley regional office. Finally, **Mickey Collins** was named the Lottery's director of human resources earlier this year. Collins began with the Lottery in 1988 in sales,

switching to human resources in 1997.

Ohio Lottery staff changes include **Kathlene Applegate** joining the Lottery on August 19th as the new manager of the Cincinnati Regional Office. She came to the Lottery from GTECH, where she served as V.P. of U.S. Sales. From 1983 to 1986 she served as Regional Manager of the Columbus office. **Pat Vasil**, deputy director of sales since Nov. 1, 1999, was recently named OLC's new deputy director of product research and development. She replaces **Shelia Smith**, who retired Aug. 1, 2002. Vasil first joined the Lottery as a sales representative in October 1991. **Dan Metelsky**, the Ohio Lottery's deputy director of legislative policy and special projects since Nov 2001, has been named deputy director of sales. In his new position, he oversees nine regional offices and a staff of 180, serving approximately 9,000 retailers.

The "Moola Awards" program, named after the Wisconsin Lottery's famous cow mascots, the Moola Sisters, is a way for Lottery employees to recognize their colleagues for going the extra mile and giving great customer service. Winners to date are telemarketer **Julia Ishado**, retailer contracts coordinator **Mary Cardarella** and payroll designee **Cheri Masino**. "Moola Award" winners are honored at a twice monthly all-staff meeting. ■

continued from page 17...

policy at retail locations, claim centers, regional offices and vendor orientation facilities through the printed media mentioned above. Additionally, the lottery has assisted retailers with customer awareness programs.

Ohio

The Ohio Lottery's Please Play Responsibly program began in February, 1997. The campaign is designed to inform and educate the public and retailers on responsible play and to strengthen the Lottery's problem gambling awareness program.

Components of the Lottery's program include: print materials for players and retailers, including half-page information sheets; messages on all tickets, how-to-plays, bet cards, ITVMs, claim forms, online paper stock, posters, agent licenses, point-of-sale materials, stationary, envelopes and Lottery publications; radio, television and outdoor ads, announcements; retailer training; and a website problem gambling page.

The Lottery operates a problem gambling helpline that includes referrals to agencies, resources, and GA meetings. Funding for counselor training through the Ohio Council on Problem Gambling has been on-going since 1998. The Lottery has helped fund the Ohio Department of Alcohol and Drug Addiction Services programs that provide services for problem gamblers who also have an alcohol and/or drug addiction.

Ontario

Ontario Lottery and Gaming Corporation's Responsible Gambling Program includes the message: "It's just a game. Play responsibly" on lottery products and promotional and advertising material. At casino and slot operations, the message, "Go for fun, not for broke. Play responsibly" is displayed on various printed material and on slot machines. The Ontario Problem Gambling Helpline telephone number is included in both messages. The Helpline number is also posted on OLGC lottery products and slot machines. In addition, OLGC offers a voluntary self-exclusion program for players who want to be barred from all gaming facilities. Also, all gaming sites have problem gambling awareness programs and strict policies concerning child abandonment and minors participation in the games. It is an offence in Ontario for retailers to sell lottery tickets to minors. Retailers selling to those under 18 face the loss of their terminals and fines up to \$250,000. Reminders of the laws and policies prohibiting the sale to minors are posted at retail outlets.

Each year, Ontario dedicates more money – two percent of gross slot machine revenue – to research, prevention and treatment of problem gambling, than any other jurisdiction in North America. This funding supports counseling at 45 treatment centers, information and referral services of the Ontario Problem Gambling Helpline, public awareness activities, and research of the Ontario Problem Gambling Research Center.

Rhode Island

Several years ago, the Rhode Island Lottery began working

with the Rhode Island Council on Problem Gambling to find a better way to address the issue of problem gambling. This partnership resulted in the establishment of a 24-hour, 7-day a week Problem Gambling Hotline, administered by the Travelers Aid Society of Rhode Island, and the Play Responsibly advertising program, both of which were launched in May of 1998.

In addition to brochures, signage, stickers, etc., the Play Responsibly program included training for Lottery staff and retailers. The Play Responsibly logo and Hotline number appear on all printed material, including tickets.

Rhode Island's two video lottery venues have been very active in the Play Responsibly campaign. Along with staff training, both facilities have self-exclusion programs in place for those patrons who may have a problem.

In addition to recently produced public service announcements on both radio and television, the Lottery and the Rhode Island Council on Problem Gambling developed a new advertising campaign to promote the Hotline and reinforce the message that help is available. This campaign delivers the message through brochures, signage, and stickers, as well as billboards located throughout the State, that "when gambling stops being fun – there is hope; there is help".

South Dakota

Each year the South Dakota State Legislature appropriates \$200,000 from the Lottery's operating budget to be made available to the Department of Human Services. DHS charges the Lottery for expenses incurred in developing problem gambling programs at various drug and alcohol treatment centers throughout the state.

South Dakota also has a non-profit organization, the South Dakota Council on Problem Gambling. The Acting Executive Director of the Lottery is a member of this council. The SDCPG sponsors a toll-free hotline, which directs callers on how to contact Gambler's Anonymous groups and treatment programs.

The South Dakota Lottery prints the hotline number on tickets and other POS pieces, distributes brochures and posters on problem gambling and scrolls the hotline number on video lottery terminals.

Wisconsin

As part of its commitment to responsible play, the Wisconsin Lottery created a partnership with the Wisconsin Council on Problem Gambling (WCPG). The Lottery funds the organization, which serves as a referral agency and as a crisis resource for people with a gambling problem. As part of that relationship, the Lottery maintains a link from its official website to the WCPG website, publishes the WCPG hotline number on many instant scratch tickets and features WCPG contact information at special events. In addition, the Wisconsin Lottery includes responsible play awareness messages in press releases, on-line terminal messaging, and existing ads when jackpots are large. ■

Atlantic

In late August, ALC launched Over/Under, its second sports game, which will be supported by the "Atlantic Canadian Tailgate Party". Supported by print and radio ads, and taking place at select Dooly's pool hall locations across Atlantic Canada, those who partake will enjoy a day of football with hourly draws, trivia questions, and chances to win Over/Under merchandise prizes. The major prize will be the "Ultimate Sports Weekend Away" valued at approximately \$15,000.

Colorado

For more than 10 years, the Colorado Lottery has been giving eight Scratch players the chance to win a new truck at the State Fair in Pueblo. This year, to create more excitement, the Lottery increased the number of finalists to 15. Each finalist was given a key and the opportunity to start the Chevy S-10 truck – the player whose key started the truck got to take it home.

Delaware

The Delaware Lottery introduced its second \$10 holiday Instant–Season's Greetings. Gift givers will be the target audience for the game which features ten chances to win on each ticket. Prizes range from \$10 to \$25,000. Ads in local newspapers and terminal toppers at point of sale will promote all Delaware Lottery Games as the "gift of fun" and "great gifts for everyone." Holiday envelopes for packaging Delaware Lottery Games are also available for free at all Retailer locations.

Idaho

The Idaho Lottery kicked off Bucks 'N Trucks, giving players the chance to win one of four 2002 Dodge Ram trucks. The Lottery is also holding a second chance drawing for a fifth truck. The winners of five separate drawings will take on giant scratch tickets in October at the halftime show of the Boise State University Football game against Fresno State. All tickets are winners, but only one wins the truck.

Illinois

On August 19th, the Lottery launched its Wheel of Fortune 20th Anniversary Instant. The \$3 game features a top prize of \$40,000 and a second chance for an audition to be on the show. The Lottery held a supporting event during September to keep the excitement going. The names of "Wheel" winners are being forwarded to ABC-TV affiliates for announcement.

The Lottery also began a promotion called "Boleto Gigante." Players send in \$5 of non-winners for a chance at front-row tickets and back-stage passes to a concert.

Indiana

The Hoosier Lottery recently completed a new television campaign for instant ticket marketing. Ads were designed to have the look and feel of movie trailers and will be used to promote \$2 instant ticket introductions. The lottery followed a successful marketing approach focusing on \$2 games last year. Instant ticket sales for Fiscal 2002 increased by 14% over Fiscal 2001. The television campaign was featured in the September 9th issue of Adweek.

Kansas

Two new \$5 instant scratch games are currently available to Kansas Lottery players. The \$5 Powerball Instant Millionaire Game Show ticket has a \$25,000 top prize, while non-winning tickets can be mailed in for a second-chance to be a contestant on the Powerball Game Show. The Kansas Lottery's 15th anniversary is the

focus of another \$5 instant scratch game.

The Lottery introduced its first \$10 instant. Holiday Wishes is designed to fold with a gift tag label for an easy gift.

Michigan

On October 6, the Michigan Lottery will implement its first-ever Sunday drawings. This adds drawings for Daily 3 and 4; Michigan Rolldown; Keno and Change Play.

Tickets for the Michigan Lottery's new Change Play game go on sale October 13. Players can use the change they get back from a purchase to buy tickets in amounts from 25- to 99-cents. Six winners are guaranteed to win in each drawing.

Minnesota

On Oct. 15 the Minnesota Lottery will launch its first-ever retailer Scratch Game. A special retailer game ticket will be included in each pack of Hit \$50! tickets. Each retailer ticket, which plays like a regular Scratch Game ticket, will be a guaranteed winner of \$10, \$25 or \$50. To redeem the retailer game ticket, the store will simply scan the bar code and enter the prize amount.

New Mexico

Reaching a benchmark of generating \$150 million for education in New Mexico, the Lottery launched a new ad campaign titled "Dreams in Motion." The campaign features New Mexico students pursuing their dreams by utilizing Lottery Success Scholarships. Brochures and stickers are available at retailers and the ad campaign was placed in newspapers statewide, and the September issues of Time, Newsweek, U.S. News and World Report and Sport Illustrated. The ads were put in issues distributed to New Mexico subscribers only, allowing the Lottery to reach new audiences.

Ohio

A statewide promotion that rewards Ohio's Super Lotto Plus players began with the September 25th drawing. Players who match 3-of-6 numbers (without the bonus ball) receive a \$1 free play ticket containing a single, auto lotto Super Lotto Plus wager. The ticket is valid for the next drawing scheduled. The promotion improves the odds from 1 in 451 to 1 in 54.

Through November 1st the Lottery is offering the 3-4-5 Triple Play Sweepstakes. Players mail in an entry consisting of a non-winning Pick 3, Pick 4 or Buckeye 5 ticket. Winners receive Carnival Cruise vacation packages and cash prizes. A 2003 Ford Premium XLT Expedition will also be given away.

Rhode Island

Daily Numbers Instant Match is off to a fast start. This new game feature bolted out of the gate with a 14% increase in sales. A huge radio and poster board campaign kicked off the Daily Numbers Instant Match in early September.

A new advertising campaign was launched in conjunction with the Rhode Island Council on Problem Gambling, which included 40 poster boards with the message "There is Hope... There is Help." This message is also relayed at the Retailer locations in the form of brochures and posters.

Wisconsin

Power Play has paid off for Wisconsin Lottery players and retailers. In the past three months, players have won an additional \$340,000 with the Power Play feature, and retailers have earned an extra \$9,000 in commissions for selling those tickets. ■

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