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Joseph C. Sullivan – Massachusetts

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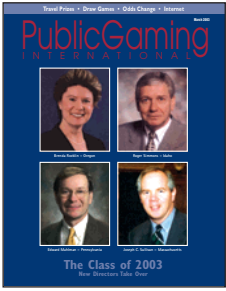
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The Lottery Industry – Corporate America's Talent Pool

In·teg'ri·ty, n 1. Firmness of character, honesty, etc.

Above all else, a successful lottery is built on one thing, integrity. Without integrity, players would not buy our products and governing agencies would not allow us to exist. As a whole, the lottery industry is scrutinized by the media, the public and lawmakers more than just about any other company in business. Because of this oversight and the hard work of lottery employees, we enjoy an extremely high favorability rating.

So when I look at the newspaper headlines day in and day out, I just can't understand why so many companies are mired in scandal. I've been working in the lottery industry for more than 20 years, and while I may not always agree with some of the oversight, when I look back at the big picture I realize we must be doing something right.

If you have worked at a lottery or with a lottery for any amount of time, you know how long it can take to get things accomplished. For example, in some states, it can take up to six months to get one Scratch game approved or as long as several years to write, post and implement a new vendor contract, and I won't even go into the budget process. There are many layers of approval one must go through to accomplish any of these tasks. First you must develop the plan internally, and then present it to an oversight committee/commission; once you have their approval, most lotteries have to take it to their state legislature, etc.

So why go through all of this? Several answers come to mind - Enron, Qwest Communications, Adelphia, etc. In each one of these instances the level of oversight needed to ensure the success of the corporation was extremely inadequate. While senior level managers were "cooking the books," employees and stockholders were being set up for the worst financial disasters one can imagine. And while

those directly involved with these companies were affected the most, these scandals helped the world economy to continue its downward slide.

What could have prevented these companies from financial ruin? That's simple - more oversight. If Enron executives had to answer to the kind of scrutiny lotteries are expected to answer to, then it's probably a good bet the only time the name Enron would make the papers would be when the Houston Astros played at Enron Field (now Astros Field).

Unfortunately, it took a huge economic collapse for corporate America to wake up and realize that sometimes more supervision is a good thing. While corporations are finally realizing this, most businesses are not familiar with this concept since oversight was known only as a nine-letter word just twelve months ago. Currently, just about every Board of Directors is scrambling to draft new guidelines and responsibilities to increase the vigilance of their companies. Meanwhile, employers are trying to figure out how to incorporate these new policies into their day-to-day operations. Lottery employees are so far ahead of the game, you would think we could pick and choose which Fortune 500 Company to run. However, before you start updating your resume, remember, dreams of big dollar signs are what started this mess in the first place. As the Greek philosopher Heraclitus said, "character is destiny." This is one instance where the grass is not greener on the other side of the fence.

Come to think about it, if only everyone was required to work for a lottery, who knows how well off the world would be.

Mark Zamarripa



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MDI Signs More Stars to Roster

Scientific Games announced that its subsidiary, MDI, has signed exclusive licensing agreements for several major Hollywood stars. Marilyn Monroe and James Dean have both been inked into the MDI stables as have Frankie Avalon and Annette Funicello. Frankie and Annette have been signed under the trademark of Frankie and Annette's Beach Blanket Bingo.

Monroe and Dean rights were granted by CMG Worldwide, Inc. through 2004 (with a possible extension through 2005), and Frankie and Annette rights are granted through Allstate Gaming, Inc. through 2005. Both contracts will allow lottery organizations worldwide to launch games and promotions with movie star and Hollywood themes using the names and likenesses of the screen legends. In addition, live appearances of Frankie Avalon may be included in promotional agreements for the games.

In another story related to MDI, three lotteries recently launched MDI's Harley-Davidson instant. New Jersey launched its third version of the game, while Idaho and Virginia each ventured into their second Harley launch.

Oregon Signs with PTI

The Oregon Lottery has signed an agreement with PTI (formerly Promo-Travel International) to release 3 Partner Promotions over the next 12 months and is finalizing plans for a 4th for 2004. The properties include Pyramid®, Let it Ride®, Bahama Bonus™ and Fantasy Island®, the last two of which will include fantasy vacations to the Bahamas and Hawaii.

GTECH Inks Extensions

GTECH recently received several extensions. The Idaho and Arizona Lotteries extended, as did Caixa Economica Federal, the Brazilian National Lottery. In addition to these signings, the BCLC also signed a contract with GTECH in early February.

The Idaho State Lottery Commission approved a four-year contract extension (commencing February 19, 2003) in which GTECH expects to replace the Lottery's current terminal base with approximately 800 Altura® terminals, and install a wireless telecommunications network.

The Arizona Lottery agreed to a two-year online lottery and support services extension, commencing on September 1, 2004. GTECH will maintain the Lottery's existing terminal base of over 2,500 Isys® terminals, and will continue to provide the Lottery with ongoing services.

The Brazilian National Lottery agreed to an extension in which GTECH will continue to provide online lottery and financial services (the current rate, terms and conditions remain the same).

Finally, GTECH signed a contract with the BCLC to supply an upgrade to its existing online lottery central system.

GTECH will upgrade BCLC's existing online lottery central system with the Company's AlphaGOLS™ system, which will monitor the security and integrity of 3,500 lottery terminals in the BCLC network. GTECH and BCLC began implementation of the first of two phases of the system upgrade in February.

GTECH is anticipating the sum of these contracts to generate approximately \$33 million by the end of the contractual term.

Intralot in Poland

Intralot has been awarded a ten year contract from the Polish State Lottery "Polski Monopol Loteryjny" for the operation of instant tickets. The remuneration of Intralot is based on the percentage of the games' turnover.

Idaho Extends Oberthur; Company Announces Enhanced Imaging

Oberthur announced a one-year contract extension with the Idaho Lottery that will extend the contract until September 30, 2003 for instant ticket services and supplies. Oberthur and the Idaho Lottery began their partnership in 1989.

In a related story, OGT announced its latest technological advancement: enhanced imaging capabilities with multiple-colored inkjet imaged symbols on a single instant ticket. A single ticket's play area can now feature real life images, which opens up the opportunities for added play value.

Iceland Inks Interlott

Interlott received an order from the University of Iceland Lottery for the purchase of Compact Dispensing System ITVMs. The order is the first for Interlott's new four-bin compact ITVM, which can be mounted on a wall or placed on a pedestal. Delivery of the order is scheduled for February.

RealTime Signs with Colorado

RealTime Media, Inc. announced an agreement with Karsh & Hagan to provide strategy, development and implementation of digital marketing programs for the Colorado Lottery. The programs will include promotional campaigns, email communication, audience profiling and reporting and analytics. Under terms of the agreement, RealTime will team up with the Lottery's other marketing partners, Karsh & Hagan and Hostworks to strategize, develop and implement web and email based marketing programs throughout the year. The first programs will launch in Q4 and be centered on the continued growth and success of the lottery's e-Lerts program. e-Lerts is the Colorado Lottery's email communication program to their players. ■

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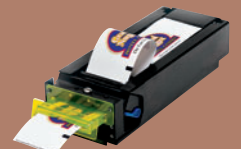
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Around the World

China

China's lottery officials are confident that the lottery industry will grow at least 20% this year. The industry's growth will be spurred mainly by high-tech issuance systems, co-operation with other sectors and sound and extended sales networks.

The Beijing Welfare Lottery Centre teamed up with China Merchants Bank, Minsheng Bank, China Mobile and China Netcom to launch an interactive lottery. Customers can now buy lottery tickets with their bank cards over the telephone.

Czech Republic

SAZKA's 2002 profit reached approximately 1.2 billion CZK (about 40.7 million USD), besting 2001's record performance of 1.13 billion CZK. The increase was mostly due to the number game Sportka, to oddset games and to the new game Keno.

France

Despite an initial drop in sales (-5.1% in the first four months), La Française des Jeux (the French National Lottery) ended 2002 with an annual turnover of Euro 7.43 billion, an increase of 6%. This result was above the Lottery's initial target (+4%), and was achieved despite a difficult beginning of the year (mostly due to the Euro changeover) which impacted performance of the first quarter.

Also the Lottery launched a fixed-odds betting game based on French and International soccer matches. The game, Cote & Match, resembles other fixed odd games in Europe, and is the second sports betting game in FDJ's products. In Cote & Match, players choose from 3 to 6 games from an official weekly list of 40 to 60 soccer events. Net prize payout to players is 60%. There is also a "Lucky Number" draw which measures the chances of winning.

Germany

The Toto-Lotto Niedersachsen GmbH (TLN), lower Saxony's lottery organization, has chosen Telefónica Deutschland GmbH, to modernize its telecommunications network for the 2,600 lottery acceptance points. The new contract will run for five years and cover an expected volume of 15 million euro. The project roll-out has been scheduled for August through November 2003.

Israel

The launch of a new daily pick-3 game, called 1-2-3 that Mifal Hapais (the Israel National Lottery) had scheduled for February 19th has been postponed for a one-month period due to concerns surrounding the looming war in the middle-east. The preparations for the launching of the game have been completed, but the Lottery fears that public

attention is so gripped by the threat of war that the launch of a new game may go relatively unnoticed.

Jamaica

Supreme Ventures, operators of the Jamaica's Lucky 5 mini lotto and Cash Pot, a Drop Han game, expects to gross around \$1.2 billion from their new game 'Dollaz'. Dollaz is a version of Keno where players select three to 10 numbers from a pool of 36 (the house will draw 12). The game will draw twice daily, Monday through Saturday.

Korea

The Korea Institute of Public Finance announced that the total revenue for horse racing, bike racing, casinos and lotteries reached W2.8 trillion last year. This is an increase of 24.9% over the W2.24 trillion wagered the previous year and about three-times the W985.8 billion earned in 1999.

That number should increase even more dramatically in 2003, as Koreans are purchasing Lotto tickets in droves. The excitement surrounding the game was spurred on by the largest lottery jackpot in Korean history in early January - W6.5 billion (U.S. \$5.6).

Sweden

Svenska Spel is opening its fourth casino in 18 months. The new facility is scheduled to open in Stockholm on March 14. It will be the first casino to open in Stockholm since 1912.

Switzerland

The three Swiss lottery companies Sport-Toto-Gesellschaft, SEVA Lotteriegenossenschaft and Interkantonale Landeslotterie have become one enterprise. The new company, named Interkantonale Landeslotterie/SWISSLOS, was officially set to work as of January 1, 2003 at the head office at Basel, Lange Gasse 10, the same address as the Sport-Toto-Gesellschaft and the WLA office in Switzerland. President of SWISSLOS is Mr. Georg Kennel, former President of STG. As concession owner, Sport-Toto-Gesellschaft will still exist, but assign the operative business to the new company. Now, all products - with the exception of those of the six cantons in the western part of the country, where Loterie Romande is active - are being distributed by one enterprise.

Turkey

In an effort to raise US\$4 billion, the Turkish government is planning to privatize several enterprises, including the national lottery.

Uganda

Ugandan Finance Minister Mwesigwa Rukutana has stopped the Uganda Lottery Company from launching its nationwide lottery. The minister claimed ULC's operating license has expired and that the firm will have to re-apply. ■



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The Class of 2003

The first month-and-a-half of 2003 was about as volatile a time period for lottery directors as one could expect. Several were displaced, while four new directors were appointed (Idaho, Massachusetts, Oregon and Pennsylvania). A handful of lotteries were left with acting directors running the show, meaning that the industry can expect even more new heads to join the game.

Seeing that the face of our industry has been changed, we wanted to introduce the industry to some of the faces that are part of the change.

Roger Simmons, director, Idaho State Lottery

Appointed January 20, 2003

Idaho's new lottery director Roger Simmons graduated from San Diego State in 1972 with a Bachelor of Arts degree, majoring in Journalism. He worked for 15 years in his chosen field as a producer, anchor and an investigative reporter.

Simmons was appointed manager of the Western Idaho Fair in June of 1987. He inherited a department

that was more than a quarter-million dollars in debt. Less than six years later, more than two and one-half million dollars were directed towards capital improvements and the Fair closed the books on fiscal year 1992-1993 with \$1,387,000 in the bank.

In November 1992, Simmons was elected to the Ada County Commission. During his service on the commission, he chaired numerous national, state and local committees, including the National Association of Counties Economic Development Subcommittee, Idaho Association of Counties' Legislative Committee, the Treasure Valley Hydrologic Policy Committee, the Community Planning Association of Southwest Idaho, the Ada County Air Quality Board and the Treasure Valley Regional Public Transit Authority. He is a former member of the Federal Advisory Committee on Hydroelectric Relicensing Processes and the Ada County Human Rights Task Force.

As a county commissioner, Simmons developed a public-private partnership concept to build a \$45-million dollar courthouse without using tax dollars. It has been called "one of the most creative concepts ever proposed for financing a government facility." He created a budgeting system that limited increases in property taxes to growth and inflation while encouraging savings, brought more than a dozen agencies together to develop the most comprehensive water study in the state's history, increased communications with



other government agencies, established a year-round household hazardous waste facility, directed the first major rewrite of the county's Comprehensive Plan in more than 20 years and provided the county with its first-ever, long-range strategic plan which is tied to a five-year budgeting cycle.

Brenda Rocklin, director, Oregon Lottery

Appointed January 31, 2003

Oregon Governor Ted Kulongoski appointed Brenda Rocklin to the position of director of the Oregon Lottery on January 31, 2003. Rocklin has been in the interim role since mid-December when then Gov. Kitzhaber named her to replace Chris Lyons. Lyons retired Nov. 20, 2002 after eight years at the Lottery.

Rocklin was most recently the attorney-in-charge of the District Attorney Assistance Section of the Department of Justice, a position she has held since July 1999. She joined the Department of Justice in 1985. She worked in Oregon's Appellate Division, the Criminal Justice Division and the Civil Enforcement Division and Administration.

Prior to joining the Department of Justice, Rocklin held the position of Deputy District Attorney October, Umatilla County, Oregon from 1981 through 1983: A graduate of Idaho State University and Willamette University College of Law, Rocklin has received several awards from the Department of Justice, has been editor of the OSB CLE Criminal Law Publication for 1990, 1994, 1998 and most recently, 2003. Other distinctions for Rocklin include authoring the Criminal Appeals Chapter, OSB Appeal and Review Publication in 1993, and the Criminal Appeals Chapter and Death Penalty Chapter, OSB Criminal Law Publication in 1994, and holding a chair on the OSB Bar/Press/Broad-casters Council from 1997-1998.



Edward Mahlman, executive director, Pennsylvania Lottery

Appointed February 5, 2003

Edward Mahlman was appointed executive director of the Pennsylvania Lottery on February 5, 2003. Mahlman brings with him 26 years of successful Lottery and advertising management experience.

He comes to the Pennsylvania Lottery from Tierney Communications, Philadelphia, where he served as executive vice president and director of client services, having worked directly with the Pennsylvania Lottery in an advertising leader-

ship role since 1977. He also has worked on marketing consulting assignments for several other state lotteries involving strategic game development and broadcast drawings.

He has been the driving force in the achievement of client goals. Mahlman's marketing accomplishments have resulted in record sales years for the Pennsylvania Lottery, a 90-percent usage rate for Verizon Yellow Pages Directory, consecutive record-breaking attendances at Dorney Park and Wild Water Kingdom in Allentown, Pa. His expertise helped the Pa. Department of Transportation exceed sign-up goals for E-ZPass in Pennsylvania, which was recognized as the best launch in the United States for this toll-road service. In addition, he has held leadership roles in developing effective advertising programs for Sunoco, Deloitte Consulting and other companies in competitive categories.

His experience in managing the advertising and marketing promotions for the Lottery will be key to its future. As executive director, Mahlman will oversee operations, games and promotions offered by the Lottery. He also will spearhead new initiatives such as the mid-day draw for the Daily Number and Big 4 games, launched February 11, 2003.



Joseph C. Sullivan, executive director, Massachusetts Lottery
February 3, 2003

Treasurer Timothy P. Cahill appointed Joseph C. Sullivan Executive Director of the Massachusetts State Lottery, on February 3, 2003, making Sullivan the eighth director in the Lottery's 31-year history. He brings 16 years of experience in public service, 10 years as a state representative and six years as a selectman in Braintree, to one of the most successful lotteries in the world. In addition, Joe has served as Chairman of the House Transportation Committee since January of 1997.

As the Executive Director of the Lottery, Sullivan is charged with the operations of 400 employees, five regional offices, and the allocation of \$4 billion dollars of annual revenue. Sullivan looks forward to the current challenges facing the Lottery, in particular the Lottery's role in providing \$1 billion dollars in critical local aid funding to Massachusetts' 351 cities and towns for educational funding, public safety, and infrastructure programs. Sullivan is also committed to developing improved management and operations of the agency as a better means of serving the communities of Massachusetts.

Prior to his appointment as Executive Director, Sullivan was elected to the Massachusetts State Legislature for six terms. In the legislature Sullivan was considered to be an important voice for economic development. In 1997, Sullivan became Chairman of the House Committee on Transportation. An advocate of public transportation Sullivan was at the forefront on issues such as the Massachusetts Bay Transportation Authority's forward funding legislation, commuter rail expansion, increase funding for the chapter 90 program, and oversight of the Central Artery/Third Harbor Tunnel Project.



Prior to his election to the State Legislature in 1992, Joe Sullivan served as a Selectman in the Town of Braintree from 1986-1992. A graduate of the University of Massachusetts at Amherst, Joe resides in Braintree with his wife Barbara, and their two young children. ■

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Scratching the Travel Bug

People love to travel. People love to play the Lottery. People love to win prizes. It only makes sense that lotteries take advantage of these three basic facts.

Offering travel packages can serve to provide added value to lottery prize offerings, but often lotteries that utilize such prizes are looking to fill another purpose as well. These prizes can be used to give a boost to a state's tourism dollars.

What follows are descriptions of games that some lotteries in North America have used to help scratch the travel bug that has affected many lottery players.

Arizona

In an Instant called "Where's Willie?" the Arizona Lottery allowed non-winning tickets to be entered for drawing featuring prizes such as a weekend in Williams, AZ, with tickets for a ride on the Grand Canyon Railroad; a weekend package to Rio Rico (golf resort); and coupons redeemable for prizes from various merchants and/or admission to community special events.

The ticket was held in conjunction with the Lottery's Economic Development Scratchers games in promotions with Arizona Main Street communities. The rationale behind the offering was to promote the benefits of Lottery dollars to economic development efforts and to promote the Main Street districts and businesses that receive Lottery dollars through this fund.

California

The California Lottery's most recent game to offer a vacation package as a prize was "Elvis" with a trip to Graceland. In addition to this game, the Lottery offered a "California Treasures" instant ticket that had various scenes of California. It was designed to promote tourism within the state. This ticket did not, however, have any vacation packages attached to it.

The Lottery's rationale behind offering such games is to attract new players who are not core players, and capitalize on the brand.

Colorado

The Colorado Lottery participated in Powerball, the Game Show featuring trips to LA to appear on the show. The Lottery also did a second-chance drawing for a Scratch game called Oktoberfest in 1999, which featured trips to Munich, Germany. A total of 3 trips were awarded.

While the Lottery has not offered any games involving



exotic vacation packages to this point, they are currently looking into a game of this type for a Winter 2004 introduction.

Florida

People come from all over the world to enjoy Florida, and often people who live there don't enjoy it as much. So, the Florida Lottery created Play FLA USA to bring some much needed

attention to in-state tourism.

The game gave the Lottery an opportunity to work with a wide variety of companies. Nearly 400 companies joined with the Lottery for the game, and major partners included Universal, the Miami Seaquarium, Carnival Cruise Lines, the Kennedy Space Center, Emerald Coast, and Seaworld.

The Lottery was able to leverage the buying power of its customers to get them to frequent the businesses partnering in the promotion. The Lottery not only offered fantastic prizes featuring excursions into campuses of their major partners, but non-winning tickets could also be used as coupons for products from hundreds of other Florida businesses.

To date, the promotion has been a tremendous success.

Indiana

With an eye on added ticket value and variety to the Instant product line, the Hoosier Lottery has offered several vacations as prizes in conjunction with Lottery games. "Fun is Good" offered a trip to anywhere in the U.S.; "Aloha" offered a trip to Hawaii; "Wheel of Fortune" featured a trip to Hollywood; "Elvis" offered a trip to Graceland; "Caesars Palace" featured trips to Las Vegas; "Vegas Baby" also offered a trip to Vegas through a second chance promotion; and "Hoosier Millionaire Roadshow" ran a second chance promotion featuring a trip to Disneyworld.

The Lottery has also offered games where non-winning

tickets could be used as coupons for tourist attractions. Non-winning "Summer Celebration" tickets were good for \$1 off admission to the Black Expo Summer Celebration, and non-winning "Some Like it Hot" tickets promised \$1 off admission to the Eiteljorg Museum

Maryland

In the spring of 2002, the Maryland Lottery introduced a scratch-off with a price point of \$3 and a top prize of \$30,000. Maryland Treasures presented a special opportunity for the State's third largest revenue generating agency to promote its "summertime fun and travel" campaign. It was also a game where players had the chance to enter the Lottery's Summer of Fun promotion and win even bigger prizes like \$100,000 or a new Toyota Matrix. The ticket and the promotion for the most part lasted throughout the summer of 2002.

The interesting twist about Maryland Treasures was it gave players the opportunity to win a trip to a destination in Maryland. Players who scratched the BONUS area could win a trip/excursion to the following locations: Ocean City, National Aquarium, a Cruise on Clipper City, a trip on Western Maryland Railroad, a day at Six Flags America Theme Park, a trip to Deep Creek Lake in Western Maryland, a trip to Solomons Island, a trip to Rocky Gap in Cumberland, and a trip to Hyatt Regency in Cambridge. It was the first time the Maryland Lottery had offered a ticket with this type of payoff and players were excited about the ticket.

In addition to this game, a trip to Jamaica was given away in conjunction with a game show with contestants who had been selected through a second chance mail-in. It was also done in partnership with a local radio station for Super Bowl trips, but was not based on a ticket purchase or mail in.

Minnesota

The Minnesota Lottery has launched four Scratch games that have included travel prizes. These included: Caribbean Cruise - instant win and second chance drawing for cruises; Powerball Game Show - drawings for trips to Hollywood/Las Vegas to participate on the televised game show; Monopoly - a second chance drawing included a trip to Atlantic City; and Explore Minnesota - a second Chance drawing for Minnesota resort getaways.

The Lottery's overall intent with these games is to provide extra perceived value to enhance the appeal of the ticket, to encourage repeat purchase, and in the case of Explore Minnesota, to build additional synergy with another state agency (Office of Tourism).

Nebraska

The Nebraska Lottery has offered various games and promotions with trips as prizes.

Some examples include Caribbean Christmas (\$2 Scratch game from this past holiday season), Viva Las Vegas from 2000, and Maui Et Money from 2001 - both \$2 Scratch games.

Promotions the Lottery has introduced include Your Ticket

Experience Required

by Sam Wakasugi Jr., Scientific Games International

Over the last 15-years, lotteries have successfully marketed travel and tourism related prizes on lottery scratch games. These games provided a unique marketing opportunity to an industry that was struggling to find new ways to market lottery tickets to a more demanding consumer. Travel related games have recently evolved into a much more strategic element in game planning efforts. Why? Because lotteries have found success with these games, so concurrently with the consumer, they have raised the level of expectation in what defines a true "travel experience." Players now want and expect to receive not just an airline ticket and hotel room, but a comprehensive prize package that covers all vacation elements to provide them with a carefree travel experience.

Licensed travel providers, such as Scientific Games, have been aggressive in finding new and unique travel opportunities for lotteries to incorporate into their marketing efforts. The new brand of "travel experiences" can offer the lottery flexible packaging options that fit the marketing needs of the lottery and project the fantasy vacation or "travel experience" consumers dream of. So why do these travel experiences work? They work because the lottery consumer is tantalized with the opportunity to win a once-in-a-lifetime, fantasy vacation or complete "travel experience." Scientific Games is providing this new brand of travel experiences through strategic partnerships with SuperClubs, Mandalay Resort Casinos (Mandalay Bay, Luxor, Excalibur, Monte Carlo and Circus Circus) and the Palms Resort and Casino. These travel experiences offer the consumer exciting and exotic destinations like Jamaica, Brazil, Las Vegas, the Bahamas, Dominican Republic and Curacao; and all can be marketed as all-inclusive vacations to include transportation, airport transfers, cash, lodging, food, beverages, water sports, spa services, golf and many other services.

Consumers will continue to demand and expect variety from our industry. Together, we need to continue to look for ways to offer unique marketing opportunities to the lottery consumer to ensure our industry stays fresh and innovative in the eyes of the lottery player. These types of strategic partnerships will allow lotteries to take advantage of exotic locales, while providing the lottery winner with a truly memorable, hassle-free "travel experience." ■

to Paradise, offering trips to Maui with entries of \$5 worth of non-winning Scratch tickets, a Disney vacation promotion in which players received an entry coupon with a qualifying purchase of Nebraska Pick 5, and a Dream Sports Vacation promotion in which players received an entry coupon with a qualifying Powerball purchase.

Although the Lottery has had general discussions about offers of free or reduced attraction admission with a non-winning ticket, it has not really developed that prospect. The discussion centered around an offer made available to visitors to the 2002 Nebraska State Fair; \$1 off gate admission with a non-winning ticket (Scratch or Lotto).

Trip prizes are generally popular with Nebraska players, as are most merchandise prizes.

West Virginia

The West Virginia Lottery has offered, as a grand prize, a trip to Las Vegas through the Powerball Instant Millionaire ticket, and a trip to Graceland through the "Elvis" Instant. In addition to these trips, the Lottery ran a second chance through the game Red Hot Spot that featured a vacation getaway to Cancun. ■

Ontario Lottery and Gaming Corporation Société des loteries et des jeux de l'Ontario

Offer to Purchase GT401/01 "Spectra" On-line Lottery Terminals

The Ontario Lottery and Gaming Corporation (OLGC) is in the process of replacing its on-line lottery terminals. Those whom OLGC would consider eligible to purchase are restricted to:

1. Recognized lottery jurisdictions operating under the authority of a national, provincial, state or territorial government.
2. Entities contracted to manage the on-line lottery operations for a recognized lottery jurisdiction operating under the authority of a national, provincial, state or territorial government.

OLGC reserves the sole and unreviewable right to accept or reject any or all inquiries or offers.

Prospective buyers interested in obtaining information about the terminals and the Offer to Purchase process, are asked to contact:

Ray Mooney

Ontario Lottery and Gaming Corporation

Telephone: (705) 946-6477

E-mail: rmooney@olg.on.ca

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PTI

In today's crowded entertainment environment, lotteries face the constantly growing challenge of competing for player attention and dollars. PTI offers a solution: value-enhancing non-cash Bonus and Second Chance prize programs. Players love something extra and PTI Bonus prizes add an exciting extra dimension, as well as additional shelf appeal, to your games. We've designed our programs with player's desires in mind.

PTI's exciting licensed properties include money-themed games like; Maui Money™ plus scratch-off themes based on well-known television game shows such as Let's Make A Deal® and nostalgic series including Fantasy Island® and I Dream Of Jeannie™. For those players that like gaming themes we can include total luxurious turnkey vacation packages for games like, Wild Aruba Stud®, Caesars Palace® and Caribbean Stud® Poker. PTI provide lotteries the flexibility to design your own program.

PTI originated and remains the leader in the concept of fantasy vacations as prizes in lottery programs. As the pioneer in lottery travel prizes PTI offers advantages such as a two-year redemption window with guaranteed pricing. Our Bonus and Second Chance prize programs include:

- Fabulous fantasy vacations and cruises to a long list of enchanting tropical paradise destinations such as the Caribbean, Hawaii, Mexico and Aruba. There is nothing like a warm and sunny locale to heat up player interest when the weather is cold and dreary.
- Luxurious trips to the most popular leisure destination in the US - Las Vegas! With our exclusive partnership with Park Place Entertainment, including Flamingo, Bally, Paris, The Las Vegas Hilton and the most recognized name in Las Vegas, Caesars Palace Hotel and Casino, PTI provides the widest variety of entertainment experiences available in the nation's top destination.
- Free vacations pages, depending on the number you buy, to use as added retailer incentives.
- Complete fulfillment service, which makes awarding prizes a simple process.

And nobody has been doing it longer or does it better than PTI.

Give your lottery the "PTI Edge" ■



The Lottery Draw

Online games are incredibly important to the reputation of lotteries. The concept of lotteries started out with draw games, and today several lotteries are virtually synonymous with their flagship Lotto games. PGI recently interviewed several lotteries in an attempt to get to the heart of draw programs. We asked for the most important objective to the draw program, the biggest obstacle to reaching that objective, and what lotteries felt were the most unique aspects of their draw program.



California

The most important objective of the California Lottery draw program is to ensure that the draws are conducted with the highest integrity and security. The Lottery wants to ensure the randomness and fairness of all draws. The biggest challenge in reaching this objective or in conducting the draws is to ensure that all draw procedures have been met at each and every draw.

The most unique thing about the Lottery's draws is the diversity. The Lottery uses a PC to draw every 5 minutes for its Hot Spot game, using a PC. They have two Daily 3 draws everyday, using automated draw machines (ADM), and conduct the Fantasy 5 and Daily Derby draws everyday using the ADMs. A live Super LOTTO Plus draw is conducted every Wednesday and Saturday using mechanical machines and ball sets. These draws are broadcasted to 12 different television markets within the State of California. The Lottery also conducts a number of mail-in draws where it awards hundreds of prizes on a regular basis.

The Lottery has conducted computer generated draws for many years (the Hot Spot draws started in 1992 and the Daily 3, Daily Derby, and Fantasy 5 draws started in 1998), and with good reason. Hot Spot draws are every 5 minutes and it would be impossible to conduct manual draws. The daily draws were changed in 1998. The Lottery used to air the live daily draws and found that many of the television stations

were not airing them live. Now the Lottery broadcasts only the daily draw results, not the live draw. That way the stations can plug the results in wherever it fits best for them. Additionally, in changing the daily draws to the ADMs, the Lottery was able to cut equipment and maintenance costs, as well as staff time.

While there was concern that there might be a decrease in sales due to the switch, the only impact came in the form of several letters from players who were concerned with the switch. The Lottery encourages anyone to attend any draws; all draws are opened to the public.

Kentucky

The KLC drawing program's primary objective is to provide the winning numbers to the players as they are drawn...bringing an element of suspense, discovery (i.e., did I win?!), and surprise (yes, I did!) This serves as a public relations tool and a marketing tool.

The biggest challenge with the drawings is keeping them on the air without making ad commitments to the stations that air them. Like any business, TV stations are in business to make a profit. Local station managers recognize the value of having their state's lottery drawings. It attracts a loyal viewership that can deliver an audience to other programming, like the local news. Unfortunately, local station managers increasingly battle corporate overseers over the "giveaway of valuable advertising inventory."

There are a couple of unique things about Kentucky Lottery drawings. One, the Lottery has a really cool animated opening and close, with lottery balls bouncing out of dressing room doors and into a drawing machine. The Lottery also promotes winners, new games, jackpots, play responsibly, and other corporate messages during and at the end of drawings.

When asked about whether the Lottery has considered switching to computer animated draws, the Lottery responded by commenting that computer animated draws are something that all lotteries that do televised drawings should seriously look at. Computer generated drawings can potentially save lotteries a lot of money. At the same time, lotteries will have to evaluate how players will respond to them.



Missouri

The main goal of the Missouri Lottery draw program is to ensure the integrity of the Lottery's on-line games and drawings. The most difficult aspect of the draw program is securing stations to broadcast the drawings without paying commercial time rates.

The Missouri program is unique in that it is produced in-house with Lottery employees and uplinked via the Lottery's own 9-meter earth station. Consequently, the Lottery's production and dissemination costs are significantly lower than most lotteries.

The Missouri Lottery currently uses computers to draw its Keno product, and is researching the possibility of converting other draws to computer. The primary motivation is the cost savings and convenience of computerized draws versus traditional machines.

Oregon

The most important objective of the Oregon Lottery's draw program is to uphold the fairness, integrity, security and honesty of its games and drawings.

The biggest challenge the Lottery faced with its draw program was to guarantee that drawing processes were compliant with statute and were independently certified so the drawings could stand up to public scrutiny. The Lottery also had to be certain that it could clearly articulate drawing process to the public.

Oregon drawings are conducted using a random number generator (RNG). In addition to using the RNG for both Keno and Megabucks, the RNG is certified and the Lottery's processes have been developed to support second chance drawings for web promotions.

Washington

The main objective of the Washington State Lottery's draw program is to maintain the integrity of the lottery to the public. The biggest challenge in reaching this objective is maintaining consistently high quality procedures (which

they feel they have).

The most unique aspect of the Lottery's draw program is also a bit of a challenge. The drawings appear on a public television station that does not have much viewership.

Currently, the Lottery is conducting no active discussions about computer generated drawings.

Ontario

The most important objective of the OLG's draw program is to ensure that winning numbers for all on-line games are drawn in a fair and timely manner. Strict procedures are followed to ensure the draws maintain the highest standards of integrity.

The draw's process is totally independent of the OLG gaming system. Draws are conducted using Ryo-Catteau draw machines to ensure complete randomness of the winning number selection. As the balls drop from the machines, draw staff and an independent witness record the results. The internal report is entered into the gaming system. The independent report is verified by entering it through the audit system.

While the physical operation of the ball machines has never been an issue, the biggest challenge to a draw's reputation is delays to gaming shutdowns. Often, this is totally beyond the control of the OLG because of its interdependency on other jurisdictions for the national games.

The most unique feature of the OLG draws is the fact that they still use the same ball machines they have used for over 25 years. In fact, some of the staff have been operating the machines for around 25 years.

The Ontario Lottery has the WINNER TAKE ALL game where a computer is used because the design of the game requires OLG to guarantee a winner in every draw. In order to accomplish this, the Lottery draws an entry position from the total number of tickets sold for that day's draw. The winning entry position is entered into both the gaming and audit systems independently to discover and verify the winning number printed on the ticket.

Conversion of the other on-line games was considered but



public opinion surveys indicated 21% of the players would buy fewer tickets if the winning numbers were computer generated.

West Virginia

The very cornerstone of the Lottery rests on integrity. Every nightly drawing is a testament to that important aspect of The West Virginia Lottery's business. It is important, therefore, that the public see, first-hand, the professionalism on which the Lottery stands. When players spend money for a commodity such as lottery tickets, they have a right to know that their dollars have been properly kept and spent. They have the right to know that if their numbers do not win, that the drawing was held in compliance with all rules and regulations regarding security and randomness. The nightly drawings represent the most public opportunity Lotteries have to reflect their professionalism. They are also a great venue through which to share important information with the public.

Through state bidding and procurement procedures, the Lottery is required to periodically go through an RFQ process for the production of nightly drawings. It is critical that the process be as thorough as possible right up to the implementation of a potential change in location, so as to be seamless in the eyes of the public. Consistency is a key factor, and that comes through having a regular event manager and substitute event manager, as well as consistent, experienced security officers and on-air talent. Those who are working the drawings night after night are less apt to make mistakes born from unfamiliarity. Likewise, they are less likely to repeat mistakes from having had the learning experience. Over the years, West Virginia has developed detailed rules covering every possible misstep. Incorporated is a checks and balances system that has been proven invaluable.

The West Virginia Lottery maintains live drawings that are aired by a seven-member network of television stations. They only pay for the production of the drawings, not for the commercial time. The network stations provide that as a service to their viewers. The Lottery finds the live drawings to be a great source for disseminating immediate information to the public as it regards upcoming jackpots, winners, second chance drawings and special events. The backdrop for each nightly drawing represents a different photograph of key cities throughout the state. In addition, photographs of winners are included, along with the name of the retail location from which the winning ticket was purchased. Care

is given to reflect the time of day and season to correspond with the "live" aspect of the drawings. If it is dark outside, the background is likely to reflect buildings with twinkling lights. If it is summer, it will be a bright, daytime shot. During particular seasons, the background of the numbers that appear on a close-up graphic may be colored leaves - or mountains with snow.

The Lottery is not considering a change to computer animated draws at this time, as their viewing public has become accustomed to being able to see the live drawing. There is strong appeal to seeing the actual balls mixing and being drawn. Given that there are always those in the public and among players who are suspect, particularly when they have not won, the complete visual is an assurance of adherence to the detailed rules and regulations the Lottery is required to follow.

Texas

The most important objective of the Texas Lottery's Drawings Program is to ensure the fairness, impartiality, integrity, and security, of all on-line games.

The way in which the Lottery Drawings Program successfully accomplishes this objective is through constant evaluation of activities, outputs and service delivery system methods as it relates to the on-line games. As a result, every security aspect of the on-line games is constantly monitored. Operations and variations of programs are studied and analyzed, and new processes are initiated. Internal tests and inspections are conducted, and external entities conduct independent inspections and tests as well.

The Lottery not only ensures that everyone involved in the drawings program, including contracted vendors, are in compliance with the policy, procedures, guidelines, government codes and statues, but it is constantly implementing changes to the process and attempting to address all areas of concerns.

The most unique thing about the Texas Lottery Drawings Program is the drawings studio. The studio is in-house and situated in a location that is highly visible to the public. All the procedures and processes are accomplished and conducted in full view of the public at all times and are always open to the public.

The Texas Lottery is not considering computer-generated drawings at this time. The reason is due to internal security issues. ■



The Changing of the Odds

In the last few years, many U.S. online lottery games have undergone an odds change meant to spur the games towards greater sales. In order to get an idea of the reasons behind these changes and the public response, Public Gaming International (PGI) interviewed several lotteries concerning the changing of the odds.

The West Virginia and Connecticut Lotteries answered concerning the recent change to the Powerball matrix; the Oregon Lottery answered concerning a MegaBucks change, the California Lottery responded with the transition from Super Lotto to Super Lotto Plus, the Texas Lottery answered concerning changes to Lotto Texas, and the Washington State Lottery answered concerning their flagship Lotto game, now called Lotto Plus.

PGI: *Please describe how the matrix was changed and the Lottery's reasoning behind the change.*

WV: The matrix was increased due to the number of new states joining. Increasing the matrix helped the jackpots grow and in turn spurred sales across the board.

OR: The game matrix was changed from 6/44 to 6/48. This change was made to help offer higher jackpot prizes and create increased excitement for the game. Even though our matrix was increased, Megabucks still offered better odds than lotto games in bordering states.

CA: [The matrix changed from] 6/51 to 5/47+1/27. Sales had been declining for Super Lotto. We wanted to "freshen-up" Super Lotto for players (offer players more ways to win a prize, generate larger jackpots) and give players what they had been wanting: A Powerball-type game. We also wanted to have larger starting jackpots, as well as generate larger overall jackpots.

KY: With Kentucky being a Powerball state we were, of course, involved in the matrix change that took place when Pennsylvania and South Carolina joined the game...raising the overall odds of winning the jackpot from 1 in about 80 million to 1 in about 120 million. This was necessitated by the increase in population. Without the matrix change we'd never be able to achieve the huge jackpots that players tell us through research and their buying patterns that they want.

TX: A new Lotto Texas rule was proposed to the commission at a public meeting on January 31st and the agency will begin receiving public comment on the proposed rule. If adopted by the commission the rule would change the game from a 6-of-54 matrix to a two-field, 5/44 + 1/44 matrix.

The Lottery has proposed these changes due to a lack of higher jackpots and frequent wins at the lower, starting jackpot levels. Sales are anticipated to continue to decline without a game change. The odds of winning the jackpot prize would change from 1 in 25.8 million to 1 in 47.7 million; however, the overall odds of winning any prize would change from 1 in 71 to 1 in 57.

WA: On April 28, 2002 our in-state lotto game changed from a 6/49 matrix (Lotto) to a 5/43 + 1/23 matrix (Lotto Plus). Findings from player research drove the change. Two main reasons behind the matrix change were to increase the frequency of larger jackpots and to increase the overall chances of winning a prize. Overall odds of winning were reduced to 1:10 - down from 1:27 prior to the change. The prize levels were also increased from 4 levels to 9 levels, including the doubling of the 2nd prize from \$1000 to \$2000. Because player research told us that new players start entering the game at jackpots of \$10 million and higher, the matrix was changed to allow us to achieve higher jackpots, thereby attracting such players. The change immediately resulted in a \$30 million jackpot (shared by two winners); and resulted in producing the single biggest Lotto jackpot winner (\$19 million) as well.

PGI: *What steps did your Lottery take in preparation for the odds change?*

WV: We launched a full ad campaign, changed existing POS material and updated the website.

CT: An internal Task Force was created for the purpose of determining all the action phases and steps to be taken. Weekly meetings and sub-committee sessions helped to complete all the steps necessary.

While Connecticut provided marketing support for the entire game, we focused our efforts on letting the public know that the PowerPlay multipliers had been changed. A poster was created to support this. Pocket-sized payout cards were updated, and our marketing brochures were also updated. Information was provided on the Lottery's web site, and the media received press information about the changes. Connecticut chose to keep the fanfare about the changes to the game to a minimum.

OR: In addition to increasing the matrix, we added two additional features to Megabucks. These were offering a free \$1 Megabucks quick pick ticket for matching 3 of 6 and offering a new Monday drawing, giving players a chance to win three times each week.

Megabucks was positioned to consumers as "Now more chances to win". The game change was supported by in-store POS, TV, a newspaper ad/coupon, and a new how-to-play brochure.

CA: New TV/radio/print support in all languages; POS support; and retailer and sales force rallies

KY: We issued a press release when the change took place, but played it low key, pushing the fact that the addition of Pennsylvania and South Carolina would increase the game's population base, fueling sales and creating bigger jackpots at a faster pace. We sort of, "oh by the way" mentioned that the matrix and odds were increasing.

TX: Talking points have been distributed to phone bank staff, media relations staff, pertinent marketing staff and lottery sales representatives, so all staff members are spreading a consistent message. Whenever the proposed rule is discussed, staff points out that Lotto Texas players are primarily motivated by high jackpots and that was the main goal in the development of the 5/44 + 1/44 matrix. The matrix also has other beneficial features and these features are pointed out as well. For example, there are eight prize tiers in the new matrix as opposed to four, the number of guaranteed prize tiers triples from one to three, the matrix will increase the number of overall winners by 25% and the two-field, bonus ball game style is familiar with players.

WA: Advertising campaigns targeted awareness of the change by emphasizing the introduction of a gold ball to the game.

PGI: *How did the press and public react to the change and what would your Lottery do differently?*

WV: They weren't especially responsive to it. They felt we had made it impossible for anyone to hit the jackpot.

CT: The overall public response to the matrix change has been minimal. We believe Powerball players keep their eye on the big prize, and having the odds change in the game has not had any notable effect on sales for the game.

In Connecticut, sales of the PowerPlay option are fairly consistent, with approximately 10-12% of tickets having the option activated for each draw. We believed that by letting the public know the multipliers had been changed, sales of tickets with the PowerPlay activated would increase. What we learned is that a majority of players were not aware of the PowerPlay option, or its effect on any possible prize. Therefore, ticket sales with PowerPlay did not significantly change.

At this time, the CT Lottery is reviewing strategies for educating consumers about PowerPlay and the benefits of having the feature activated. Our plan is to develop and launch a comprehensive program to educate consumers about the PowerPlay feature and educate consumers on How To Play Powerball (i.e., how to fill in a selection slip, purchasing Advance Action tickets, etc.).

OR: We heard only a few comments about making the jackpot harder to win. This quickly disappeared when we hit the first jackpot roll up. We believed that the matrix may have been a take away from the players, so the 3/6 prize and the Monday night drawings were both benefits to players. This was an important balance to strike so our core players would continue to support the game.

CA: Press and public reacted very favorably. We had had negative feedback to our change from 6/49 to 6/53, so one of our main goals for this change was to minimize negative reactions from press, public and legislators. With the higher jackpots and more ways to win, we were able to create a very positive perception of the change to SuperLotto Plus. The launch was, overall, very successful – there's nothing major we would do differently.

KY: Our sales have remained strong. Our players haven't had an issue with the increased odds from the matrix change. They want big jackpots and the game has delivered. As you know, we had a \$315 million Powerball jackpot in December and, now, just four-and-a-half weeks later we're already at \$86 million! It used to take us about 8 weeks to reach that jackpot level.

To my knowledge, we didn't have a single negative story, although there was one radio talk show host who tried to make an issue of it. No one joined him in making it an issue. Callers to his show basically said they want big jackpots, they know the odds are astronomical.

I really don't think we'd have done anything differently.

TX: It is still too early to gauge the reaction to the proposed rule as the comment period officially began when the rule was published in the Texas Register. The publication date was Friday, February 14.

WA: The press gave extensive coverage to the game change. Average jackpots have increased; although players have been slow to warm to the game change. The Washington Lottery would like to improve both player and retailer understanding of the changes through enhanced educational efforts. ■

West Virginia Odds Change Representative of U.S. Lottery Market

The West Virginia Lottery's only recent matrix change is that which related to Powerball. Obviously, many other lottery jurisdictions went through this "odds-changing experience," as well as those jurisdictions that went through the odds change related to the Big Game conversion to Mega Millions.

As with all high-jackpot lotto games, players initially complained about increased odds, but spending patterns reveal that their complaints are not keeping them from playing the game.

The negative impact of increased odds is usually only perceived by frequent players who pay attention to the odds. In most cases, casual or lapsed players could not care less about the odds – their interest remains in the large jackpot amounts.

As for any variations of odds related to secondary prizes, no comments have been received from players.

The resulting incremental increase in the Powerball jackpot generally has offset any negative perception created by increased odds of winning. ■

Lotteries on the Internet (part one)

While the Internet may not be an important direct sales tool for most lotteries (worldwide, only a handful of lotteries actually sell games over the Internet), it is still one of the cheapest and one of the most important marketing tools a lottery can utilize.

While the Internet itself has been around for decades, it is still very new to the world of marketing, and we have only begun to scratch the surface concerning its potential. Because of this, it is important to know how our fellow lottery colleagues are using this remarkable tool. In this issue, PGI has focused on communications, PR, advertising and market research.

Arizona

The Arizona Lottery uses its Web site for both informational and promotional purposes, including new game information, ending game information, news releases, winning numbers, "Where the Money Goes," and Responsible Gambling.

The Lottery feels public relations on the Internet starts with this public information as well as ease of access to frequently asked questions (e.g., winning numbers).

California

The California Lottery has a comprehensive website at www.calottery.com with player information, winning numbers, press releases, Flash versions of several instant games and a dedicated retailer website.

The Lottery issues press releases on the website, and is sure to keep its contributions to education updated regularly.

While the Lottery does not currently advertise on the internet, it is looking at the possibility of doing so for some upcoming games.

As for market research, the Lottery registers its Lotto Captains through the website, but does not use the information for any marketing purposes. While no Internet research activities are planned, the Lottery has not ruled out the possibility of research over the Internet later in the year.

Connecticut

Public relations has been the major focus of the Connecticut Lottery since its website launched five years ago. Winner awareness, corporate mission messages have been the focus.

The Lottery intends to add an opt-in email component for viewers during the next 12 months. Developing a method to communicate effectively with viewers is becoming a primary focus of the lottery's web site.

Connecticut does not place advertisements on other web sites, but does advertise its own games on its site. In October 2002, online game demonstrations for select scratch games were added to the site. Currently there are two scratch games for consumers to play for fun on the site - Progressive Poker,

and Progressive Blackjack. The Lottery felt it was important to teach consumers (in a fun way) to play these games, since the play style is so new. During the next 12 months, the Lottery will increase its use of online game demonstrations.

Also within the next 12 months, the Lottery expects to develop and actively use its web site for market research information. This is not a focus of the site now, but soon will be.

Finally, the Lottery expects to restructure the design and content of its site within the next year. Currently, the Lottery's site is maintained by in-house staff. It is the intention of the Lottery to begin to utilize outside sources for sections of the site's development in coming months, while still maintaining overall direction for the site.

Florida

The Florida Lottery provides more than 50 regular updates of game-related information each week via the Internet. In addition, new content items relating to games, winners, and the Florida Lottery's business are added on a regular basis and logged on the "What's New!" page.

Players have the opportunity to obtain customer service and ask questions about the Lottery through the Lottery's asklott e-mail account. Lottery staff responds to an average of 200 - 300 inquiries per week, depending upon the size of the Lotto jackpot. Turnaround time for responses is generally 24 - 48 hours, depending upon mail volume.

For players who want to stay current on the latest Lottery news flashes, the Florida Lottery offers an E-mail Newsletter through its web site. Players who sign up receive jackpot alerts, advance notice of special new games and promotions, and the latest in Lottery-related "hot news."

In the coming weeks, the Lottery is planning to roll out a comprehensive new section for vendors and potential vendors, which provides general information about the Lottery's and the state of Florida's purchasing procedures; information about current solicitations; information about subcontracting opportunities; and online forms in PDF format to assist business in participating in the Lottery's purchasing program.

The Lottery provides comprehensive information about its games and business through its web site, detailed information about its contributions to education programs in Florida through its Education section, and an extended winner-awareness program.

Included in flalottery.com's Education section is information pertaining to the Lottery's various in-house programs, such as mentoring and tutoring, and teacher recognition, which provide added value, beyond the proceeds from Lottery sales, to the public at large.

Flalottery.com uses banner advertising on its home page to advertise new games and promotions, and features new Scratch-Off games on the home page on a rotating basis. Flalottery.com maintains detailed game-information pages on all active Scratch-Off games, and maintains a page detailing Scratch-Off games prizes remaining.

Special games and promotions pages are designed to supplement associated advertising campaigns.

In addition, flalottery.com has a link exchange program with Visit Florida, the state's official tourism agency. A prominently featured short banner on the home page, as well as text links on every other page throughout the site, provide web visitors with maximum opportunities to learn more about Florida vacations and attractions.

Indiana

The Hoosier Lottery maintains a Web site for the public that includes its latest games and promotions, winning numbers information, information for the media, explanations of where the money goes and a variety of Hoosier Lottery facts. The Lottery anticipates launching a button providing specific information for prospective Lottery retailers within the next several weeks.

The Lottery's website provides information for the public and press about how Lottery funds are used to benefit the state of Indiana, the history of lotteries generally and the Hoosier Lottery specifically, and telling the public about the Lottery's latest community initiatives.

Within the next several weeks, the Lottery plans to include information on its front page that describes the uses and application process for Alliance with Indiana grants, which are funds provided to qualified charitable entities throughout the state.

The Hoosier Lottery uses its website to promote and inform players about new games and promotions, including second chance promotions. In addition, the Web explains and markets existing games.

The Hoosier Lottery's market research is conducted through its VIP Club, a voluntary free fun club for players. Other analysis of page hits and visits is conducted more casually.

Creating players with the help of a pop culture I-con

Bob Kowalczyk, MDI Entertainment

In the quest to sustain and grow the lottery player base, more lotteries than ever are capitalizing on the appeal of popular brands, from Harley-Davidson to Betty Boop. In almost every case, licensed lottery games can add to the consumer entertainment experience that is so important to the lottery sales and marketing equation.

But how about tapping into the equity of a pop culture icon that, since its first appearance in 1991, has become bigger than Harley, Betty, Britney, Ozzie, NASCAR and all the rest of them combined?

I'm talking about that cultural phenomenon called the Internet.

For the moment, put aside the issue of selling lottery tickets over the World Wide Web. This isn't about that. Instead, focus on this thought - the Internet is a place where people go to have fun. And the more you can do to turn your lottery's web address into a fun Internet destination, the greater may be your opportunity to win over a new universe of consumers.

Every lottery has an Internet presence today. But it is the lotteries that are doing more than simply posting drawing results, highlighting winners and announcing new games that warrant the industry's close attention. Those are the lotteries that are expanding their markets beyond their current players and are positioning themselves as a relevant entertainment provider to the I-generation.

MDI is in its third year of providing Internet marketing support for its lottery promotions. We see measurable evidence that the Internet attracts younger, more affluent and better educated consumers.

For example, the New Jersey Lottery ran parallel second chance promotions in support of their Elvis game, one a mail-in promotion and the other an Internet-based contest. In both cases, players had to submit non-winning Elvis tickets to enter drawings. The demographic differences between participants in the promotions, as measured in post-promotion research, are shown in the chart below:

Lotteries have long recognized the promotional value of conducting special events at public places, playing games and giving away prizes in malls and stadiums and state fairs. The time has come to drive that promotional van into cyberspace. There's a great audience waiting for you there. ■

Demographic group	Mail-in entrants	Internet entrants
Adults 18-34	6%	23%
Adults 18-44	23%	54%
College educated	43%	53%
HH income \$45,000+	53%	57%

Kansas

The main purpose of the Kansas Lottery web site is to communicate Lottery information to players and anyone interested in the Kansas Lottery. Winning numbers, second-chance drawing results, new games and promotions are all listed on the home page. Players can also e-mail questions, concerns, etc. Players can see newly introduced instant scratch tickets on the web site, and the Lottery's graphic designer includes art work for games, promotions, and events.

The Lottery is currently working on updates to offer better service to retailers and players, such as: an application for persons interested in becoming a Kansas Lottery retailer; a claim form for players to print out and fill in to mail with their winning tickets; and employment application forms for individuals interested in Lottery jobs.

Another change scheduled to the Lottery site is the addition of a state map that will illustrate the "section" of the state where a big jackpot-winning ticket was sold. The Lottery's security policy prohibits them from releasing the name of the retailer where the winning ticket(s) were sold. They only release the area (southeast, south central, northeast, etc).

Kentucky

The Kentucky Lottery is currently using the Internet as a communications, public relations, advertising and marketing tool. The KLC has begun to do more one-on-one communication through email pushes and by emailing players Lottery coupons.

KLC continues to look for ways to establish a relationship with its players through the Player's Fun Club. For instance, the information gathered when players initially sign up for the Fun Club is used to determine what coupons they are sent. If players have said that Powerball is their favorite game, the Lottery may send them a Powerball coupon. In addition to this, the Lottery also tries to cross-promote other products as well. They are currently in the process of developing e-cards that will be sent to players on their birthday as a way to let them know that their special day is remembered. The Lottery is also developing a way that players will be able to customize their lottery home page to display information that is most valuable to them.

In addition to using the site for communications and public relations, the web site is also an important marketing tool. The large promotional space on KLC's home page allows it to promote the newest games, promotions, winners and more. The promotional window is changed frequently (usually 3-4 times per month) in order to keep the site new and fresh. In addition, the Lottery uses pop-up windows on occasion to promote large Powerball jackpots, events, milestones and jackpot winners.

KLC has used its Player's Fun Club database on a few occasions for market research. A research panel has been developed, and those participants are sent periodic surveys which are completed online.

The Lottery is also in the process of developing a web site exclusively for its Lottery retailers. The site will be a wealth of information, including access to billing information, train-

ing materials, printable promotional fliers, and retailer promotions. There will also be a retailer guest book where retailers can sign up to receive periodic email notifications about lottery happenings.

Missouri

The Missouri Lottery makes full use of the Internet's communication benefits by offering the following services: instant news and numbers; email subscription service; news; job opportunities; sales and proceeds information; prizes paid for the current draw, live video of each drawing, unclaimed prizes, number frequencies, number wizard, check tickets on-line; downloadable retailer ticket order forms; downloadable claim forms; on-line entry for nearly all promotions; all scratchers, pull-tab and numbers game information/contact info; and FAQs

In the next 12 months the Lottery plans to have a user account system for promotional entries, expanded content and enhanced email subscription service and possibility of a Players Club.

Public relations are addressed online through press releases (winner stories with winner photos); a Lotto Captains Club; enhancements to instant news and numbers email service; a "How are we doing?" section to receive ongoing user input; and a "Where the Money Goes" section. Also, through the Alert Missouri program, which is based on the Amber Alert system, the Lottery will publicize messages pertaining to child abductions on its Web site and the winning numbers e-mail subscription service.

Missouri conducts market research via the Net through promotion prize surveys, where players are surveyed regarding promotional prize preferences; and track and trend surveys, which are published on the Web site to determine the viability of the Web as a research tool.

Though the Lottery promotes all games and promotions on the Web site, they do not run specific advertising on the Internet.

New Zealand Lotteries Commission

The New Zealand Lotteries Commission has a public website for corporate information as well as the Lotto, Powerball, Daily Keno and Strike game results for the last 12 months.

The NZLC also has a closed web site for its 600 retailers. This provides up to date information on a variety of retailer issues and is later intended for retailer "training on-line".

The New Zealand Government has an E-Govt project whereby all government entities use the internet for information dissemination. The NZLC corporate web site is linked to the E-Govt site to enable parallel development.

Oregon

Generally, the Oregon Lottery web site provides game information, winner's information, promotional drawings, funding information, and corporate information.

In the next 12 months the Lottery hopes to add services to its web site such as, ways for players to check their numbers, print coupons for free products, a mechanism for winning a

prize instantly, an opt-in email system that will send players notifications on game info and form a "players club".

The Lottery currently requires visitors to fill out a questionnaire when entering Lottery web contests. The questionnaire asks some basic questions about demographics, and play behavior. As mentioned above, the Lottery will form a "players club" with the intention of gathering more information on players and then using that to market back to them via the opt-in email system. The Lottery advertises jackpots, funding, new products, and winners on a separate website - oregonlive.com.

SAZKA - Czech Republic

The Internet presentation of SAZKA is aimed at a mutual communication between the company and its customers. The company products, drawn numbers and other activities are introduced through it. At the same time it provides to the customers the possibility to react immediately via e-mail on current issues and to communicate with a non stop information service.

Internet presentation combined with other media is considered as one of the most important PR tools for SAZKA. All the information concerning the company and its products are being placed on the Internet.

The company considers everything published in the framework of the Internet as advertising. The aim of information published on the Internet is to attract customers interest.

SAZKA plans to extend the cooperation with other Internet servers to promote its products.

Svenska Spel

For the last two years, Svenska Spel has offered a very personalized service. The Lottery sells nine games over the Internet (last years sales were US\$35 million). Players can type in the number of their Loyalty Card (Spelkortet) and be given all details of their entries either at the retailers or over the Internet.

The Lottery also offers complete and comprehensive information about its games, services and sports in general. Last year the Lottery was awarded a prize for the best and most informative website in Sweden.

Svenska Spel also conducts market research via the Internet through chat rooms. The Lottery has opened a special channel for chat and debate with them.

Washington Lottery

The Washington Lottery launched its new Web site (www.walottery.com) in September 2002. With the new site, the Lottery has strong architecture that allows it to expand easily as it adds new products or Web enhancements. Most of the information on site is just a click or two away from the home page-with no dead ends. Visitors always have the drop-down menus and links at the top of the screen for easy access.

In 2002, the Lottery presented its first Interactive Scratch tickets on the Web site, so visitors could have a "winning experience" on site. It worked. Washington will sell about 99.9 per-

cent of its entire printing of 1.8 million tickets. The perfect opportunity to introduce this feature came with the launch of the "Harley Davidson" Scratch ticket in November. The Colorado Lottery generously shared the audio and animation software that was on their site, and it was customized for Washington. After the "virtual" game was complete, visitors were asked to respond to a brief pop-up survey regarding the Scratch product, other Lottery products, and the Lottery itself.

During the next 12 months, the Lottery will expand this Game Development: Flash-based Interactive Scratch ticket games on the Web site. The development of interactive, multimedia games delivered online to prospective players via the Web will have tie-ins to current promotions and games as well as IMP Surveys.

Within the next 12 months, the Lottery will add a Lottery Site Search Engine-and Index server cataloging current and future pages and data within Lottery site for fast searching and retrieval of content. The Lottery also hopes to add a VIP Club to the Web site that will help the Lottery gather information on players. This should help the Lottery market its products and services to core players more effectively.

The Lottery uses an Intranet for internal communications and employee relations, including publishing the employee newsletter on this site.

The Washington Lottery conducted promotions in the past fiscal year on NWSOURCE.com-the Web component of the Seattle Times newspaper. The promotions included print advertising, special events, and links to the Lottery's Web site.

While the Web site www.ads.com was operational, the Lottery placed television spots on this site.

With its new site, the Lottery began administering brief surveys. The surveys have been used primarily for testing the process and seeing what potential benefits and/or barriers there are for using Web site-based pop-up surveys for market research activity.

Within the next 12 months, the Lottery plans to expand its research capabilities with both players and retailers through: Internet Marketing Platform Integration-a survey and data-collection tool to support marketing and customer acquisition activities on Web site or via e-mail; and the use of Internet-based panel research (E-Panels).

West Virginia

The West Virginia Lottery is in the process of procuring services for enhanced Internet utilization via its advertising agency. The RFP for advertising services will contain a mandatory optional bid for this service. The contract will be effective July 1, 2003. At that time, the Lottery hopes to alter its web site and incorporate game model demonstrations, research endeavors, a VIP club, promotional endeavors and all of the services that have worked so well for other lotteries.

Currently, the Lottery's web site is a public information tool featuring news, winning numbers, fiscal updates, new products and traditional Internet-based promotion of the lottery. ■

Guy Lines

www.ihaveaborningwebsite.com by Guy Simonis

Some years ago when I wrote my final column for the now-defunct AILE Magazine I exclaimed with some exasperation that if I heard the words Internet and World-Wide-Web used again, especially in connection with the lottery business, I would scream.

A decade ago lottery conferences were abuzz with opinions and fears of what that Internet would bring. Fear, that retailers would be replaced, and players would all sit, click and buy their favorite lotto numbers, bent over their screens to greedily absorb all our "bumpf" that heretofore could only be found in pamphlets, manuals and newsletters. This was the new medium that would change the world of lotteries.

To give a bit of an impression of what all this website talk was all about I included the category of "The Best Lottery Website" in the Batchy Awards of World Meet '96. There were 10 entries or so from three continents. The offerings were meager: some winning numbers, some dumb boilerplate information. Oregon had the brightest



ideas and carried away the Batchy.

Recently I found myself in a research project of lottery websites. I can tell you eight years has not brought either overall changes or improvements. Before I go on listing the disappointments let me tell you there were some good sites that appear to have clear focused objectives. So this column is not a blanket condemnation but states that the overall impression is poor. There is no one focus. If I were asked to answer the question - what do these lottery website try to achieve - I would need a long, long confusing list of objectives.

One thing is clear - it is not a marketing tool...yet. Today only six Western European countries and Australia's Tattersalls are selling tickets on their websites - sports lotteries being the favorite. The rest of our lottery world has not even come close to defining what this medium should be

Is it an up-to-date winning numbers list? Is it a site for advertising and promoting lotteries in order to create

Guy Simonis – Lottery's Man of the World

by Duane Burke

Guy Simonis was part of the lottery industry when, as he put it, "you could have put all the NASPL directors in a Volkswagen and still had room left in the trunk."

There have been a few changes since that time.

In 1971 Simonis created the Manitoba Sports Lottery. In 1973 he went on to form the Western Canada Lottery Foundation (he was also the first General Manager of the organization), which in 1985 divided and became the Western Canada Lottery Corporation and the British Columbia Lottery Corporation. Simonis was instrumental in forming the BCLC and was President of the Corporation for several years. In addition to his work in creating and presiding over lotteries, he has headed every lottery organization that he was eligible to head: NASPL, WLA, INTERTOTO AILE, etc.

Simonis describes himself as a bit of a gadfly - always outspoken. He strongly adheres to the philosophy that the emperor has no clothes, and spent his tenure trying to blow away the fluffery that comes with government work (we're talking about a man who, at the 1974 AILE Congress in Quebec, pulled off his toupee and threw it in the air to make a point. He hasn't worn it since).

It should be no surprise to any reader who knows him that a column by Guy Simonis will be an extension of not only his incredible lottery knowledge but also his colorful personality. We at PGI are honored that this Lottery Industry Pioneer and Statesman, who is one of the foremost lottery experts in the world, has chosen to impart some of his wisdom to the world lottery community through Public Gaming International magazine. We hope you enjoy his monthly column. ■

sales at the retail level? Is it the place to create the urge to go try or buy? Is it a dumping site of sales and information brochures that belong at the retailer counter?

Is it a place to dump legislation, the Rules and Regulations, Minutes of Commission Meetings and exhortation about "Responsible Gaming? In other words is it a CYA (cover your backside) dumping ground? Winner's photo album? Game descriptions? Lottery myths? Retailer Training packages? Calls for tenders?

And the stuff with respect to the products...are these explanations serious? One must smile at many sites who with tongue-in-cheek explain "How to scratch a ticket". I can just imagine many of the world's computer users clicking on a lottery website prior to venturing into a store to buy an instant ticket for the first time and studying the moronic instruction. "Take a coin between thumb and forefinger..."

I know that the section "How many Instant prizes are unclaimed at this moment" was created as a defense against the legal clowns who have not understood (or perhaps understood too well) the concept of instant games where the very first prize claimed diminishes the original prizes list. But does this listing of prizes remaining mean anything other than provoking ridicule when it isn't updated for two days or more. Moreover if you must do this thing on the Internet could most of you at least explain that the "following prizes are available" rather than "the following good prizes are gone!" The traditional difference between the glass is half full as opposed to half empty is good marketing

We must ask why, again generally speaking, do we have such awful and so much DBS (dumb boring stuff) on our website?

Because no one has sat down and asked, "What is this? What does this medium do for us? Who is our audience?" Is it the press, to disarm them before they come and knock at our door? Is it our ever-present lottery critics whom we can inform that we are not guilty?

Is it to recruit retailers? Is it to provide positive ammunition for our political supporters or is it what I think is our little secret? It is the equivalent of the bottom drawer of our desk. It is our electronic dumpster.

The quality of design ranged from well laid out to a Rube Goldberg roadmap. Some sights were brightly colored and conveyed a sense of fun. At least eight sites - mainly American - have color schemes that would not be out of place as a funeral announcement.

Message: Lottery Directors, you are not paying attention to the Websites. Most of them, with some real notable exceptions, are a wasteful jungle full of missed opportunities.

This was just to get your attention. Next column we'll talk about the good stuff. We'll talk about the Web again. I promise not to scream. ■



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Intralot and Polla Chilena

Celebrated Inauguration of Intralot's On-line System in Chile

A special event, organized by Intralot and Polla Chilena de Beneficencia took place on the 17th of December 2002 at the historical "Castillo Hidalgo", where the city of Santiago was founded. The event kicked-off in August of 2002 on the date of the start up of Intralot's on-line system in Chile.

The event was attended by many politicians and government representatives, members of the Parliament, the ex-President of the Chilean Republic Mr. Patricio Aylwin, ambassadors, businessmen, Chilean journalists, as well as, top level executives of state organizations from Europe and Latin American countries.

The event started with the speech of Mr. Sergio Henriquez Diaz, President of Polla Chilena. He mentioned that the cooperation of Intralot and Polla is the outcome of an international

tender, where Intralot's proposal was the most competitive and attractive financially and technically. Mr. Henriquez emphasized that "all of us made a great effort in promptly replacing the old system with the new one, which is one of the most sophisticated and modern systems in the world. This big bang was realized smoothly, without causing any problem to the customers or the sales network. Now, the challenge for us is to effectively use Intralot's extensive know how and experience in organizing and operating lottery games".

Following, Mr. Constantinos Antonopoulos, CEO of Intralot, thanked Polla Chilena for the trust and confidence that the organization showed to Intralot. "Chile has political and economic stability and offers an excellent entrepreneurship environment for international companies to expand their activities. For this reason, we chose this country to be the center of our business expansion in Latin America". Also, he mentioned that "Polla Chilena constitutes a lottery organization with capable and perceptive executives, which could play a leading role in technological innovations, as well as in the launch of new generation games."

Finally, Mr. Ed Stanek, Senior Vice President of WLA, mentioned that since technology continues to develop it is more than imperative for the organizations to have advanced technology. "The lottery sector is a specialized



From left to right: Mr. Sergio Henriquez Diaz President of Polla Chilena, Constantinos Antonopoulos CEO of Intralot, Mr. Carlos Mladinic President of the Association of Public Enterprises (SEP) and Mr. Tiberiu Grigoresku General Manager of Intralot de Chile.

business that requires skills in data communications and data processing. Lotteries need to work with proven performers like Intralot, so that the lottery business is one of selling chances and not taking chances. I congratulate Polla Chilena for its advances in keeping pace in the ever-changing lottery world. I congratulate Intralot for winning the confidence of Polla Chilena as a partner in modernization".

The 400 guests had the opportunity during the event

to participate in the Lotto draw, which was transmitted by Chilean TV. Also, the guests had the opportunity to enjoy Mrs. Andrea Tessa one of the most famous Chilean singers, specializing in traditional and international songs.

In October 2001, Intralot signed an agreement with the Polla Chilena de Beneficencia for the supply, installation and support of an integrated on-line gaming system. ■



From left to right: Mrs. Marcia Covarrubias Ambassador of Chile in Greece, Mr. Patricio Aylwin ex-President of the Republic of Chile, Sergio Henriquez President of Polla Chilena and Socrates Kokkalis, President of Intralot.

Missouri Honored by MLK Celebration Commission

The Missouri Lottery has been awarded the 2003 Distinguished Organization Award by the Dr. Martin Luther King Jr. State Celebration Commission of Missouri. The award was given in recognition of the Missouri Lottery's continuing efforts to exemplify Dr. Martin Luther King Jr.'s ideals and commitments, as demonstrated in its many services to the greater St. Louis community.

The Missouri Lottery's Minority & Women Business Program is designed to solicit and assist minority and women entrepreneurs who seek business contracts with the Lottery.

Missouri Lottery to Assist in Alert Missouri Program

The Missouri Lottery is the latest Lottery to become part of its jurisdiction's "Amber Alert"-style program. The Lottery's retailers are now an integral element in Missouri's new statewide "Alert Missouri" plan, which is an effort to locate children who have been abducted.

In the event of an Alert Missouri, all Numbers Games Lottery retailers will receive a message on their Lottery sales terminal. In addition to the retailer screen, the Alert message will scroll on the small VFD screen located at the top of the Numbers Games terminal. The message will also be broadcast on all LED jackpot alert signs and Club Keno monitors. When possible, this message will appear on all Numbers Games tickets. The Lottery also will be publicizing the message on the Lottery's Web site and the winning numbers e-mail subscription service.

Montana House Says Yes to International Games

The Montana House of Representatives voted 55-45 to allow the Montana Lottery to participate in international lotteries. Proponents of the bill say a change in the law is necessary so the state can continue to sell Powerball tickets if other countries join the game.

Loss of the game would cost Montana approximately \$5 million per year.

Louisiana Dedicates New Headquarters

The Louisiana Lottery Corporation held its official building dedication ceremonies in the boardroom at the LLC headquarters and the event was attended by local and state officials. Board of Directors President Stewart Gentry presided over the historical event, which was 10 years in the making.

Lottery President Randy Davis thanked everyone for supporting the LLC's efforts in completing and moving into the new headquarters, and presented a metal plaque to Gentry for installation in the entrance to the Lottery building.

Oregon Bill Would Decrease VLT Commissions

A bill introduced in the Oregon Legislature would limit the commissions paid to Lottery retailers for video poker. Commissions, currently averaging 32 percent would decrease to 15 percent of revenue after prizes paid.

Rhode Island Expands VLTs

The Rhode Island Lottery Commission unanimously approved a 1,825 VLT expansion at Lincoln Park and Newport Grand Jai Alai. The Parks should have the first 700 machines up and running in the first few months, but it will take at least 15 months to build facilities suitable for the entire expansion.

Vermont House Backs Powerball

Vermont House members said yes to allowing the lottery to join a multi-jurisdiction game. Proponents feel joining a big jackpot game could raise an additional \$3.2 million annually for education and would help small stores bordered by other states keep customers from crossing the border.

Tennessee Progress Made

Headway has been made on the Tennessee Lottery bill. Among the current agreements: only cash purchases of lottery tickets would be allowed at retail outlets. Credit cards and checks could be used when purchasing tickets from the lottery corporation. Tickets could not be sold at cash advance businesses or pawn shops, and no state seals or symbols could be used in sale of the tickets. Currently, the bill sets up a seven-member lottery board with three members appointed by the speaker of the House, three by the speaker of the Senate and one by the governor.

Pennsylvania Goes to Twice-a-Day

The Pennsylvania Lottery began midday drawings for two of its most popular games - Daily Number and Big 4. The change came as a result of a bipartisan measure meant to boost ticket sales and revenue to the state. The games were chosen for the extra draw because they are the most popular number games offered by the Lottery, responsible for 38% of Lottery sales in FY02. ■

People

Loto-Quebec Chairman, President and CEO, Mr. **Gaetan Frigon**, conveyed his decision to the Government to leave the public corporation immediately and return to the private sector. Mr. Frigon will be returning to Publipage, a directory-advertising agency he co-founded with his wife in 1996.

In January, State Treasurer Timothy P. Cahill appointed **Amy J. Morris** as the Massachusetts State Lottery's spokesperson and Public Relations Coordinator. Previously, Ms. Morris worked in state government for U.S. Representative Martin Meehan and the Better Business Bureau. Ms. Morris holds a B.A. in English from the University of Massachusetts in Amherst.

Oregon Lottery Assistant Director **Lee Moore** resigned after a month of administrative leave with pay. A statement released by Moore and the Oregon Lottery Commission read, "Lee Moore has resigned as the Assistant Director of the Oregon State Lottery in order to pursue other professional goals. Mr. Moore and the lottery have resolved the issues that arose between them."

Bent Eckberg has stepped down as Chairman of the WLA's Security and Risk Management Committee (SRMC) and has been succeeded by Norway's **Morten Schjelderup**. Three new members of the SRMC have also been appointed: **Ed Stefan** from MUSL (Iowa, USA); **Fotis Mavroudis** from Greece's Instant Lottery S.A.; and **Tommy Færk** from Dansk Tipstjeneste, Denmark.

In a survey for 2002 conducted by the international financial house Pricewaterhouse Coopers (PwC), Intralot's Chairman **Mr. Socrates Kokkalis** was voted among the three most successful Greek entrepreneurs along with Mr. Spiros Latsis, head of the EFG Eurobank Ergasias Group and Mr. Nikos Stasinopoulos of the Viochalko Mattaluro Group.

Intralot announced that their management team has expanded to include **John Pittman** as Director of Marketing and **John Kirkland** as Project Manager. For the last 14 years, Mr. Pittman served as the President and CEO of Lottery Support Group, Inc., a company he formed to provide start-up and consulting services to lotteries. Prior to this, Mr. Pittman spent 12 years with Scientific Games where his last position was Executive Vice President. John Kirkland began his lottery career as the first Executive Director of the Ohio Lottery Commission. Most recently he worked at Scientific Games as Director of System Sales & Marketing.

IGT OnLine Entertainment Systems, Inc. recently announced the hiring of **Richard A. Newell** as Director of

Business Services. In this position, Mr. Newell will have direct management responsibility for all of IGT-OES' domestic lottery accounts. For the past 12 years, Mr. Newell was President of Lottery Services International, Inc. Most recently, Mr. Newell assisted IGT-OES with the successful launch of the online lottery in South Korea. In 2001, he provided start-up consulting for the South Carolina Education Lottery.

The South Dakota Senate State Affairs Committee named **Clint Harris** as acting director of the South Dakota Lottery. Harris has been with the lottery since 1993, and has been the acting director since May 2000.

IGT announced the promotion of **Maureen Mullarkey**, the Company's Chief Financial Officer, to Executive Vice President. Mullarkey graduated from the University of Texas at Austin in 1980 with a Bachelor of Science degree, and received her MBA from the University of Nevada, Reno in 1988.

Peer Jacob Svenkerud has been appointed new Executive Vice President for Communications and External Relations at Norsk Tipping. Svenkerud is currently Director of Branding and Stakeholder relations at Telenor ASA. Previous positions include Director of Burson-Marsteller in Oslo, and Assistant Professor at the University of New Mexico, USA.

Dr. Israel Peleg, the VP Marketing for Mifal Hapais (Israel National Lottery) has announced that he is leaving the lottery. Dr. Peleg was appointed as Chairman of the Board and President for H&O, a leading fashion chain of 24 stores, a public company, traded in TASE - Tel Aviv Stock Exchange. In Dr. Peleg's term the Lottery has achieved a record of revenues - more than 3 Billion NIS for 2002.

UK's National Lottery Commission has appointed **Catherine Forrester** to the new role of Director of Performance and Communications. The role has been created to allow a more comprehensive and independent view to be taken of the performance achieved by the operator of the National Lottery. She is responsible for a small team and reports directly to the Chief Executive. Prior to joining the Commission Catherine was Performance Assurance Manager with Elexon,

The New Zealand Lotteries Commission announced the appointment of **Mr. Trevor Hall**, a former Chief Executive Officer of Totally Wellington, as their new Chief Executive. ■

Arizona

Arizona Lottery players are growing up. Well, at least some of them will have to. The minimum gambling age in Arizona increases to 21 from 18 on June 1, 2002, due to a state law passed in 2000. The lottery will begin notifying its 2,600 retailers in the next 30 to 60 days, with retailer training and aggressive public notification proceeding after May 1. The age change will affect 3% of Lottery consumers.

California

The California Lottery held an Xtra Reward promotion for the SuperLotto Plus game from January 18 - February 22, 2003. Two eight-digit numbers were drawn every Wednesday and Saturday giving players two chances to win \$50,000 for every single draw. Each time a player bought 5 to 10 SuperLotto Plus plays, for one draw on a single ticket, that player automatically received one to three free Xtra Reward numbers. The Xtra Reward number is a unique eight-digit number, which appears on the bottom of each ticket. These numbers are sequential and unique to each ticket. Two players who matched the Xtra Reward number to the Lottery-selected eight-digit numbers won \$50,000.

Colorado

The Colorado Lottery just wrapped up its second round of its "Catch the Lotto Bug" promotion. On Valentine's Day, two lucky Coloradoans were awarded Volkswagen Beetles worth approximately \$35,000. A total of four Bugs were given away in the month long promotion that had players sending in non-cash winning Lotto tickets.

Three "Lotto Bugs" were also used for promotions and the special event team drove them across the state to over 140 retail locations. The Lotto Bugs really helped to increase visibility and player awareness for Colorado's Lotto game and were a big hit with the public and retailers alike!

Indiana

The Hoosier Lottery initiated an alliance with state and local police to publicize information about child abductions as part of the Amber Alert program. The partnership between the Lottery and the state establishes communications between the approximately 4,000 statewide terminals in Lottery stores and the Amber Alert system.

The existing Amber Alert system makes details on the most serious child abduction cases available to radio and television stations and to electronic message signs on state highways. The Hoosier Lottery joined in the effort to spread this information by distributing it via the terminals and Lighted Electronic Displays the Lottery has operating throughout Indiana.

Illinois

Valentine's Day was even sweeter for the Illinois Lottery and 20 lucky Lottery players thanks to the "Fun For All Cash Giveaway" promotion. The month-long promotion allowed winners to send in any non-winning Illinois Lottery online or instant ticket for the chance to win one of 20 \$10,000 prizes. The final drawing was held on Valentine's Day and Illinois Lottery Director Lori Montana personally called each winner to offer her congratulations. All told, the Lottery received about 925,000 entries for the drawing.

Kansas

The Kansas Lottery is sailing into spring! It has several new promotions that are promised to get players excited. The Lottery had so much fun with its fall Crusin' With Keno promotion that it decided to do another one for this spring. 2by2 Oceanview was launched on Jan. 12, 2003 and will continue until March 8, 2003. Each time a player purchases a minimum \$5 2by2 single ticket, an entry form is issued from the terminal for the player to enter into the drawing. The players are entering for a chance to win a four-day, expense-paid trip to the Caribbean for two aboard one of Carnival's "Fun Ships."

The Lottery's Ford Harley Davidson™ F-150 Doubler promotion gives players the chance to win a Ford Harley Davidson™ F-150 truck. This game has a top prize of \$15,000. The Kansas Lottery will give away two special edition 2003 supercharged Ford Harley-Davidson™ F-150 trucks in two second-chance drawings. To enter, players must purchase a \$5 Ford Harley Davidson™ F-150 instant scratch ticket. Non-winning tickets can be mailed to the Kansas Lottery for the second-chance drawings.

This spring also marks the beginning of race season at Kansas Speedway. The \$2 Kansas Speedway ticket launched on Feb. 10, 2003. Players can send in non-winning Kansas Speedway tickets for a chance to win a weekend at the Kansas Speedway July 4-6, 2003.

Kentucky

EXTRA CASH is a new feature that allows Kentucky Lottery players to win instantly right on their Pick 3 or Pick 4 ticket! It's the first time the Lottery has offered a way for players to win instantly on an on-line game. Players purchase their Pick 3 or Pick 4 play, choose an EXTRA CASH wager and pay 50 cents or \$1 per play more. The Lottery's computer system then randomly generates numbers, three for Pick 3 and four for Pick 4. Each number generated by the computer has a cash value next to it. If the numbers players selected in Pick 3 and Pick 4 match any of the computer-generated EXTRA CASH numbers on the ticket, in any order, then the player wins the corresponding dollar amount instantly! The dollar amounts will vary, ranging from \$1 to \$500.

Louisiana

The Louisiana Lottery Corporation and the New Orleans Hornets are now teammates! The LLC is a corporate sponsor of the Hornets for the 2002 - 2003 basketball season.

As part of the partnership, the LLC airs commercials during all radio broadcasts; offers ticket discount promotions using non-winning Lottery tickets; and Lottery signs are displayed in the court area and various other areas of the arena. Also, a full-page color ad will appear in every issue of "The Buzz," the official team magazine of the Hornets. In addition, Lottery tickets are being sold in the gift shop at Hornets' games and all other public events in the New Orleans Arena. The LLC will also participate in one community program in conjunction with the NBA and the Hornets.

Michigan

At the request of Michigan Lottery Daily 3 & 4 EXTRA players, on February 4, 2003 the Lottery enhanced the prize payout structure of the Daily 3 & 4 EXTRA game. Now, every winning EXTRA

ticket pays out a \$50 cash prize. As a result, the odds of winning a \$50 prize are much greater - 1 in 80 - versus 1 in 1,970 in the old version of the game.

Minnesota

The Minnesota State Lottery and Ford Motor Co. have entered into a cooperative marketing venture. The Trucks 'n' Bucks Scratch Game, which began on March 6, offers 10 top prizes of a Ford Ranger truck. One additional Ranger will be awarded through a second chance drawing later this summer. Ford Ranger trucks are built in St. Paul, Minn. Ford Motor Co. is supporting the game with :30 second TV spots and the Lottery produced print ads and :30 second radio spots.

Missouri

On Feb. 14, the Missouri Lottery kicked off the "Friday Free Play" Club Keno promotion. Each Friday through March 28, retailers get the chance to partner with their players and play Club Keno for free. Partner-play tickets will be issued at random intervals. Retailers are encouraged to share their partner-play tickets with all their employees to teach them about the game and as a way to reward them for their efforts.

The Lottery is planning a Pick 3 "American Muscle" promotion, a four-week promotion that could start as early as the end of March. During the promotion, when a player purchases \$3 worth of Pick 3 plays, an entry slip will be produced. The player can submit the entry into a box at the retail location, mail it to the Lottery or enter it on-line for a chance to win a Ford Thunderbird, two Ford Mustangs, 200 cash prizes of \$598 and 2,000 Pick 3 T-shirts. Retailers will also have a chance to win cash prizes ranging from \$500 to \$10,000 for increasing Pick 3 sales during the promotion.

New Jersey

The New Jersey Lottery released its latest PTI Partner Promotion featuring the gaming themed Wild Aruba Stud™ Poker. Wild Aruba Stud Poker includes 125 exotic vacations packages to the all-inclusive Aruba Divi Beach Resort.

The New Jersey Lottery announced the outstanding results of the "Double Cash Weekends" promotion (which doubled the prizes for matching 3, 4 or 5 numbers) for its Jersey Cash 5 game. During the promotion, the Jersey Cash 5 Saturday and Sunday draw sales increased more than 70%, and the average weekly sales increased almost 20% during the month of November. Average weekday draw sales also increased by more than three-percent.

New York

The New York Lottery's Quick Draw Keno will be offered every four minutes rather than at the current five-minute interval. The change came into effect on February 23, and is expected to bring in an extra \$12 million annually.

Pennsylvania

The Pennsylvania Lottery launched two new St. Patty's Day-themed tickets in February. The \$5 Lucky Leprechaun Loot features a \$50,000 top prize, while Green Stuff, a \$1 ticket, offers players a \$1,000 top prize.

Quebec

Loto-Québec's new VLTs are being installed in bars and licensed restaurants across Quebec. The machines claim "responsible gaming features" designed to curb out-of-control gambling, such as: a clock displayed on the screen to let players know how long they've been playing (gamblers must also pre-select playing times); the number of games available has been reduced, with a maximum of five per machine; and the pace of the games is slower and the maximum bet per game has been reduced from \$100 to \$60.

Rhode Island

Rhode Island is "jazzing up" their weekly Keno Nights and Daily Numbers promotions with the "Lucky Wheel". Patrons at these events will be invited to spin the "Wheel" for a variety of Lottery Merchandise and Instant Tickets. The "Wheel" just adds another element of fun to these two-hour events. With every spin a win, the "Wheel" is proving to be a very popular addition.

The Rhode Island Lottery celebrated Valentine's Day with a state-wide radio promotion giving lucky callers a Valentine's Mug filled with the Lottery's "\$5,000 Smackers" instant tickets.

South Carolina

The SCEL successfully launched its newest on-line game, Pick 4. Players will now have the chance to win up to \$5,000 dollars nightly.

Virginia

The Virginia Lottery launched a new Bonus Ball promotion in February. Virginians who play Pick 3 and Pick 4 will win 20% more each time their numbers come up in February and March if the Bonus Ball is drawn. Actual drawings take place using a traditional ball machine with four white balls and one orange bonus ball. However, the drawing takes place off the air and the results are shown to the public through an animated sequence after the regular Pick 3 and Pick 4 drawings. The Bonus Ball came up during the first draw of the promotion.

West Virginia

The West Virginia Lottery announced a new game incorporating post card entries for the Instant Millionaire Powerball TV Game Show. Each \$2 "Road To Vegas" instant ticket is a pre-printed postcard that can be mailed to the Lottery for the TV show drawings. The new system saves players postage, the Lottery the cost of printing special envelopes, and retailer's space they would normally have to dedicate to providing the envelopes to players.

The Lottery celebrated its 17th anniversary with Director John Musgrave presenting record jackpot winner Jack Whittaker the balance of his prize check at Lottery headquarters in Charleston. Choosing the \$170.5 million cash option of the \$314.9 million jackpot won December 25, Whittaker became the world's single largest winner of a lottery prize. Whittaker's net prize after withholding of 27 percent in federal taxes and 6 1/2 percent in state taxes, was \$113,386,407.77. Musgrave and Whittaker presented a check for \$11,082,881.96 to the WV Department of Tax & Revenue - the year's single largest tax payment by an individual to the State of West Virginia. ■



Estimado (a) colega:

Es muy grato saber que pronto nos volveremos a reunir en Cancún para celebrar el Congreso Anual de ILAC 2003, este Congreso que sirve para reunir año con año a las Loterías de América y El Caribe. El tema central del Congreso este año será “**Más Juegos, Mejores Ganancias y Mayores Beneficios**” en copatrocinio con la Lotería Nacional para la Asistencia Pública de México.

Pronto recibirán mayor información y detalles al respecto y por ahora les rogamos tengan a bien señalar las siguientes fechas en su agenda: del **27 al 30 de abril** del 2003 en el fabuloso Hilton Cancún Beach & Golf Resort.

Raquel Orbeagozo está a sus órdenes para cualquier comentario o aclaración sobre el tema en el teléfono/fax + 1 (425) 821-8361 en Estados Unidos de América, así como **RaquelpGR2@aol.com**. Por otro lado, pueden obtener información adicional sobre el hotel, al visitar la página en Internet: www.hiltoncancun.com.

Nos dará mucho gusto contar con su presencia en Cancún durante el Congreso Anual de ILAC 2003.

Saludos cordiales,

Laura Valdés de Rojas
Directora General
Lotería Nacional para la Asistencia Pública

Make Plans to Participate in PGRI's 2003 Events!



ILAC Congress 2003

Co-hosted by the National Lottery of Mexico

April 27-30, 2003

Hilton Cancun Beach and Golf Resort in Cancun, Mexico



International Lottery Expo 2003

Co-hosted by the Florida Lottery

July 18-21, 2003

Sonesta Beach Resort in Key Biscayne, FL

For more information, please contact Public Gaming Research Institute at 425-803-2900, fax 425-803-6830, e-mail publicgam@aol.com, or visit us on the Web at www.publicgaming.org

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