

To: Lottery CEO's, IALS Members, Marketing Directors,
PR/Communications Directors

Public Gaming Research Institute Inc.'s

INTERNATIONAL MORNING REPORT

Your weekly supplement to
Public Gaming International Magazine
April 1, 2002

30 + LOTTERIES FOR ILAC – MORE EXPECTED.

There's still time to register for PGRI's ILAC Congress, 2002. This year's festivities will take place at the Cancun Hilton and Golf Club in Cancun Mexico, on April 6-9. The conference will bring together the best and brightest from the Latin American and Caribbean lotteries and from lottery supplier organizations from around the world.

For more information on registering for ILAC contact Conference Coordinator: Elsie Grote at 425 803-2900; fax 425 803-6830 or email: elsiepgri@aol.com.

To exhibit and sponsor at ILAC, contact David Mello at 202 244-9301; fax 202 244-9302; or email davemello@earthlink.net.

GREAT IDEAS! FOR ILAC CONGRESS 2002. ILAC lotteries and supporting suppliers are invited to each present one great idea found to be successful in the past year, which might be of help to other ILAC lotteries. To participate, send a brief description of the idea, what the benefit has been to the lottery, and who the presenter of the idea will be via fax to 425-803-6830 or e-mail to elsiepgri@aol.com.

DECISION DAY. NY tracks have to tell the Lottery by Monday, April 1st if they want to join the state's VLT program. Of course, the legality of the machines is still being challenged in court, but unless the law is overturned 11,400 machines will be in eight racetracks across the state, and operating by November

MORE VLTs FOR SASKATCHEWAN. Saskatchewan will be boosting its number of VLTs by 400. The new machines should bring the government an additional \$15 million in revenue. Of course, the anti-gambling establishment is hopping mad over this issue

ON THE SAFE SIDE. The PA Lottery paid for two different sets of winning numbers for their March 24th CASH 5 Drawing. Problems developed when lottery officials found a crack in the number 24 ball that was drawn during the live drawing. To be on the safe side the Lottery videotaped a second drawing and announced they will pay for both drawings, each of which carry a \$100,000 jackpot .

KENTUCKY RIDING HIGH. The Kentucky Lottery is having a very successful year. The state is still riding the Powerball wave – August's large jackpot has the state 9.2% ahead of last year's record sales pace. In addition to this, the Lottery is operating at \$3.2 million under their proposed budget. Way to go!

KENTUCKY PULL-TAB BOOST. The KY Lottery Board of Directors received a report on the placement of 300 pull-tab vending machines. Retailers received 267 of the machines, with 33 more scheduled for placement soon. The 300 machines bring the KLC's total pull-tab vending machine placements to 1,350. Pull-tab sales recently achieved a weekly record of over \$800,000 in sales.

LOTTERY SUPPORT IN OKLAHOMA. Citizens for a Better Oklahoma is preparing to circulate a petition to include a state lottery on the November ballots. The lottery proposal will provide money for school supplies and the replacement of deteriorating schools. Pat Hall, finance chairman for the CBO is trying to raise \$200,000 to get the petition off the ground, and \$1.5 million for the campaign.

LOTTERY GOV. RUNS IN ALABAMA. Alabama Governor Don Siegelman is seeking re-election. The pro-lottery Siegelman campaigned on a state lottery platform in '98 and won. Of course, the lottery was eventually defeated. There's been no word as to whether Siegelman will run on a lottery platform in this election.

KOREAN SITE CAUSING TURMOIL. North Korea recently opened an Internet lottery site that promises a 100% payout. A South Korean IT firm, which owns 30 percent of the venture, is operating dprkorealotto.com and dklotto.com, and hopes to profit on the interest. The South Korean Government has stated that they will punish any South Korean found using the site, and is planning to block the Lottery from South Korean access. This animosity towards the North Korean site has nothing to do with gambling, and everything to do with the fact that the two countries are technically at war.

KENTUCKY LAUNCHES CD-ROM GAME. The Kentucky Lottery introduced Treasure Tower, its first interactive scratch-off ticket. The CD-ROM game, created by Ingenio, features a \$3 ticket (top prize -- \$25,000) and \$10 starter kits. The game has a parental control feature that can be set on the CD-ROM to keep children from playing.

Additionally, a second chance game that can be entered on the Kentucky Lottery web site will feature a \$1,000 top prize. To promote the game, the Lottery is conducting a demonstration tour that hits every region of the state.

LOTTERY PLAN OK. Oklahoma State Sen. Brad Henry is giving up on trying to convince state lawmakers that a lottery is a good idea, and is now taking his message to the people, who he feels are overwhelmingly in favor of a statewide lottery. His plan would send 35-40% of proceeds to education

INTERNATIONAL LOTTERY. An international lottery that would raise money for developing countries, dubbed the UN Lottery, has been developed in Finland. The idea was first brought up by Ghana in 1972. Former Finnish President Martti Ahtisaari will be discussing the possibilities of international cooperation.

FULL STEAM AHEAD. While forty-four MO House members have signed a letter asking the Missouri Lottery to reconsider Quick-Draw Lotto, the Lottery still plans to launch the keno-style game on June 1st. The lawmakers are worried that not enough research has been done, but the Lottery staff has been studying the game for possible implementation since 1994.

WISCONSIN CELEBRATES CITY PICKS. To celebrate its new on-line game 'City Picks', the Wisconsin Lottery will be hosting kick-off activities in all nine Wisconsin cities and towns featured in the game. Events will be held on March 26. The game allows players to rank nine WI cities and towns in order, rather than choosing numbers. Matching all nine cities to the city order drawn wins the top prize of \$50,000. City Picks replaces MONEY ROLL.

UK GAMING LAWS REVISED. The UK just saw its biggest gambling law revision since 1960. Some estimate the changes will bring an extra £3 billion-per-year to an industry already taking in £7 billion. Among the new legislation: casino zoning restrictions were eased, casinos will now be allowed to advertise; and Internet gambling is permitted from British bases for the first time

UK UNCLAIMED PRIZE PROBLEM. UK Culture Minister Richard Caborn wants to tackle the £455.6 million in unclaimed Lottery prizes. Camelot has made provisions for winners who claim late, and for people who've lost their tickets. There's even talk of putting up public notices where unclaimed prizes of £1,000 or higher are sold.

LIVE LONG AND PROSPER. Colorado lawmakers approved House Bill 1250 which extends the life of the state's Lottery until at least 2024. It had been slated to expire in 2009.

ONLY 275 SHOPPING DAYS UNTIL CHRISTMAS.

Oberthur has introduced a portfolio of new holiday concepts. The concepts range from traditional themes to uniquely packaged attention grabbers. The portfolio is ready for viewing, so interested parties should contact their OGT reps.

INTERNET SALES EXPLOSION IN KOREA. Yahoo! Korea, a seller of Internet Lottery games, saw a sales increase of 200% after a player won a prize of 5.5 billion Won. Yahoo! Korea has been selling online products since October, 2001. Another Korean company, Daum, has seen a 300% online sales increase since October.

MASTERCARD TO COMBAT ONLINE GAMBLING FRAUD. Europay, a European affiliate of Mastercard, is concentrating on security measures for Internet gambling. Online gambling fraud accounts for 20% of all Internet fraud. Internet gambling sites appeal to cons because they easily convert stolen credit cards into money.

SHUTDOWN UNDER. A new law from the New South Wales Government has gaming machines in pubs and clubs shutting off from 6am to 9am every day across the state. The shutdown will continue until April 30, 2003, after which the shutdown time will increase to 6 hours.

ROTATING BROCHURE HOLDERS. Schafer Systems added a new range of Literature and Brochure holders for organizing and displaying POP literature. The new rotating holders can be ordered with multiple pockets and a range of colors are available. www.ssi-ia.com.

SCHAFER WINS WORKPLACE AWARD. Schafer Systems, Inc., was awarded a 2001 Psychologically Healthy Workplace Award. The company received the award because of their employee stock ownership, profit sharing, open book management, and the regular collection of data and feedback from their employee owners, among other things. Congratulations!

MARK YOUR CALENDARS
ILAC CONGRESS 2002
April 6-9, Hilton Cancun & Golf, Cancun, Mexico
Co-hosted by the National Lottery of Mexico
INTERNATIONAL LOTTERY EXPO 2002
August 1-4, Loews Miami Beach
Co-hosted by the Florida Lottery

For more info: WWW.PUBLICGAMING.ORG

TV DELAY CUTS SOCCER BETTING? Bangkok police want to delay telecasts of World Cup soccer matches by half an hour to crack down on gambling. Their theory is that the action would reduce the desire for many gamblers to bet on the games. A recent poll revealed that approximately 400,000 Bangkok residents plan to gamble an estimated 9 billion baht on World Cup matches.

NATIONAL INDIAN LOTTERY. A three-judge panel of the 9th U.S. Circuit Court of Appeals overturned a 1996 ruling forcing the Coeur d'Alene Tribe to cease operations of their National Indian Lottery. The decision allows callers from across the nation to buy lottery tickets from the tribe, located in Idaho. AT&T must provide services for the venture, but need not worry about prosecution over the activity. We may see an appeal to this case.

SUCCESSFULLY MAKING AMENDS. More than 2 million entries were sent in for California's special drawing to make amends for past Instant games sales that occurred after top prizes had been won. The Lottery managed to create a festive atmosphere for the four-hour event with an Elvis impersonator. Winners will be notified via mail, and will also be posted on the Lottery's website.

CHINA PROJECT SUCCESSFUL. Xi'an, the capital of Northwest China's Shaanxi Province, will be building better living conditions for the elderly with Lottery proceeds. The government sold US\$18.92 million of welfare lottery tickets for the project.

CALL FOR PROFESSIONAL PAPERS

Public Gaming Research Institute invites lottery and industry professionals to submit papers for presentation at PGRI's **INTERNATIONAL LOTTERY EXPO 2002**. Presenters will have the opportunity to present a summary of their papers at the Conference. Copies of full presentations will be made available on CD and also on PGRI's website www.publicgaming.org. **E-mail expressions of interest or questions to duaneburke@aol.com**

TO REGISTER FOR THE ILAC CONGRESS

E-mail your name, title, organization, phones & fax to ELSIPEGRI@AOL.COM.

FOR HOTEL RESERVATIONS

Call Hilton Cancun Beach & Golf Resort
In Cancun, Mexico: 52-998-881-8000

THIRD PAGE GREAT IDEAS FOR ILAC

In the spirit of Smart-Ideas from Smart-Tech, this year's ILAC Congress in Cancun, Mexico, April 6-9, will have a similar component to encourage the sharing of ideas that lotteries and suppliers have found make the lotteries more successful.

The ground rules for participating are simple:

1. E-mail a one-paragraph description of any one Great Idea and its benefit to an associated lottery;
2. Come to the ILAC Congress with a 5 to 10 minute presentation of the idea;
3. Stick-around for the award presentations at brunch on April 9.

There will be 10 awards for Great Ideas presented by lottery representatives and 10 more awards for Great Ideas presented by those lottery suppliers who are function sponsors, program sponsors or exhibitors at the Congress.

ILAC CONGRESS UPDATE

30+ lotteries have already indicated their plans to attend ILAC Congress 2002 – 40 are expected – for the April 6-9 meeting in Cancun. The Congress Theme is:

More Games, More Revenues, More Benefits. Greater emphasis is being given this year to promoting the adoption of new products by the lotteries than ever before at PGRI's ILAC Congresses.

Duane Burke, CEO of Public Gaming Research Institute and co-host with Laura Valdes, Director General of the Mexican National Lottery for the ILAC Congress, is encouraging company representatives to tell him how PGRI can help them work with their lottery clients at this Congress in order to accelerate the adoption of new games. E-mail: duaneburke@aol.com