

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
December 10, 2001

OHIO OKAYED FOR MULTISTATE GAME. The Ohio legislature passed a budget bill that will cut spending and, yes, allow the Ohio Lottery to join a multistate game. The Democrats all voted no; church groups are saying they might challenge constitutionality; but the really big question is which one? There has been talk about the Ohio and Pennsylvania Lotteries going it alone, but that would appear not to be the case. So the question is which one, The Big Game or Powerball? The bill counts on \$41 million from whatever game in the second year of the budget.

NEW INTERNET GAMBLING PROVISION PROTECTS STATE'S RIGHTS. Testimony on the two Internet gambling prohibition bills was heard last week in front of a House Judiciary Committee Subcommittee. One bill covers the prohibition of using credit cards and such for playing and paying. The other, known as the Goodlatte bill, has a new provision, a power to the states, protecting the rights of states to regulate gambling within borders.

THREE AWARDS FOR FLORIDA. A dozen Florida Lottery employees, from three different units, were honored for their innovation and creativity, winning three Florida Davis Productivity Awards. The Network Infrastructure Reengineering Team, The Educational Affairs Unit and the Communications Section of the Florida Lottery Public Affairs Office, all coming up with some smart ideas, totaled up savings of nearly \$550,000. Hope they enter the SMART-Idea competition at SMART-Tech. Congratulations.

INTERACTIVE INTEREST. About 50 people from 20 nations attended the World Lottery Association Seminar on Interactive Gaming in Uruguay. Topics included gaming on the Internet, mobile phones and digital TV, with reports from Finland, Sweden, Norway, Iceland, Germany, France, Austria and Chile, launching interactive just

recently. La Francaise des Jeux reported that it would be offering one new instant a month on the Internet. WLA President Reidar Nordby presented the organization's survey on interactive gaming and the formation of a code of conduct. The next gathering on this subject is a joint session of the WLA and EL, in the Fall of 2002, in Vienna.

OHIO TO BOOST INSTANT PAYOUTS. The Ohio Lottery is planning to revamp its instant line by upping payouts to 65 to 70 percent from its current 60 percent.

ADVERTISING AGENCY ALERT. The New Hampshire Lottery is looking for advertising agencies to submit proposals on the New Hampshire account (\$1.6 million) and the Tri-State account (\$1 million) The RFPs are available until December 14 and bids can be made on one or both. Current contracts expire in June. Send a request in writing to Director Rick Wisler, 14 Integra Drive, Concord, NH 03301 or fax: (603) 271-1160.

CAN STILL GET SOME OF THE FUN. North Dakota residents may not be able to play their own lottery, but they sure will get to hear the always great lottery commercials out of neighboring states as North Dakota broadcasters reached a settlement with the Federal Communications Commission. The FCC said they would not enforce penalties after the broadcasters said the prohibition was a violation of free speech rights.

DOING IT ALL. The new lottery in Taipei will offer three types of games. A passive, six times a year, commemorating holidays, etc. An instant, once a month and Lotto twice a week.

REGAINING CONFIDENCE. The allegedly rigged drawing in Malaysia has created some player distrust and lack of public confidence in the process. In a step to get it back, a police officer, a MP, and a Senator are presiding over the drawings.

VEIKKAUS RECEIVES PRIZE. Finland's Oy Veikkaus won the best marketing campaign award from the Finnish Marketing Federation. The theme: "The world turned different in the eye of a Football Pools player."

ALC AWARDS TO SCI GAMES. Scientific Games will provide an instant ticket management and accounting system and a AEGIS on-line central games management system to the Atlantic Lottery Corporation in a contract valued at \$5.3 million plus. The system is to be completed by March 2003.

ARISTOCRAT IN PERU. Las Vegas-based Aristocrat Technologies has a contract with Corporation Meier S.A.C. out of Lima, Peru to supply and install 3000 machines in Meier's group of gaming venues, including two casinos with another on the way soon.

LOOKING FOR AN ON-LINE SYSTEM. The Housing Bank of Korea, now merged with and becoming the Kookmin Bank that operates a lottery trust combining their lottery and six other smaller lotteries has called for "tenders" for an on-line system.

THE PATRIOT GAMES. The Illinois State Senate has passed a bill for special lottery draws to help fund anti-terrorism expenses including law enforcement overtime and a pharmaceutical stockpile. The costs come to \$17 million, but the Senator with the idea says the games, separate from regular games, could raise between one to \$50 million. The General Assembly will decide where the money goes from the "patriot games." But, the legislation must first pass the House and then be signed by the Governor.

GOOD NEWS FOR FOOTBALL POOLS. The UK will abolish the 17.5 percent VAT tax on football pools as of April 1. Seems the Pools have done a whole lot of suffering since the UK National Lottery started selling in 1994, dropping from a billion pounds to 167 million.

FAIRLY AMAZING NUMBERS. The Canada West Foundation did a survey of about 1,700 Canadians and reports that one in 20 adults have recently gambled on the Internet. That number is about 10 times larger than the 1999 survey result of 0.5 percent. . Pushing the numbers up are senior citizens (8.1 percent) and women who are widowed or divorced (10.9 percent). By the way online gambling operations are illegal in Canada.

MEN CAN CHANGE THEIR MINDS TOO. Back about 20 years ago, an Oklahoma man said that lotteries were legalized armed robbery of the weakest and poorest among us. Now as Oklahoma's citizens go to Kansas and Texas to buy their tickets and Oklahoma is looking for some money to help education, that very same man is saying a lottery is coming to Oklahoma and he is a very good man to have on your side. He is Senator Cal Hobson, vice chair of the Senate Education Committee, and slotted to be the Senate President pro tem in 2003. Yes sir!

IN THE GENES? A research center in Australia may soon be using some little animals to determine if problem gamblers have a problem gambling gene. Say indications show it just may be so.

THE SARATOGA SAGA. With New York legislation that allows slots/VLTs at tracks and casinos, that is just the first step for those in horse-county Saratoga. Now it is up to local officials to decide if they really want them. Thereby the problem. Tracks say they won't survive with the competition and without them. But the Chamber of Commerce says it will sue to keep them out of Saratoga, in fact, out of anywhere in New York. The issue is in front

of a special Committee now with no decisions expected until January.

INTRALOT'S SAFE DRIVE. INTRALOT'S subsidiary Betting Company S.A. and the magazine, "4-Wheels-Safetrack, sponsored a two-day safe driving seminar.

11901 SOLD OUT. El Gordo players, many believing that tragedy is followed by happiness, have bought out all of the 1,700 tickets carrying the number 11901. The tickets cost \$16 each and go up to 65999. El Gordo or as it is affectionately known as "The Fat One" offers about \$1.2 billion in prizes in a Christmas season drawing.

MONTANA EXPANDING PROGRAM. The Montana coalition of businesses associated with gambling in the state is expanding the problem gambler consulting program, which includes a 24-hour hotline. The budget is \$120,000. Interesting tidbit: There are 180,000 people in Montana employed in the gaming industry.

MAKE MY DAY, PLEASE. Send your Morning Report news to Sharon Sharp. Phone (312) 649-6577; Fax (312) 649-9863; Email: pgrinst@aol.com

SHARON SHARP - REDO. Flipping through the channels last week. Came across this frizzy-haired woman talking about lotteries. Yeeks! T'was me in my California days. The History Channel was doing a repeat of its 20th Century program with Mike Wallace. Think it was mid-90's vintage and the theme, "Gaming: A mainstream American industry." Time has sure proven right, big time.

QUOTE OF THE WEEK. From the chair of an anti-gambling group fighting the participation of the Ohio Lottery in a multistate game: "The lottery is the front door to gambling addiction, domestic violence, suicide, divorce and bankruptcy." Be still my mouth.

MARK YOUR CALENDARS SMART-TECH 2002

February 3-6, Ritz Carlton, Atlanta
Co-hosted by the Georgia Lottery Corporation

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

ADVANCE SCOOP!

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