

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**  
July 29, 2002

## **INTERNATIONAL LOTTERY EXPO – AUG 1-4**

**THEME: Advertising, Marketing, Sales  
& Revenue Strategies**

The International Lottery Expo is being held  
August 1-4, 2002, at Loews Miami Beach  
Hotel in Miami Beach, FL USA.

**Co-hosted by the Florida Lottery and  
Public Gaming Research Institute.**

**To register: Contact PGRI:**

Tel. (425) 803-2900; fax (425) 803-6830

E-mail for Elsie Grote:

ELSIEPGR2@AOL.COM; or

DAVEMELLO@EARTHLINK.NET

PGRI on the Web:

[WWW.PUBLICGAMING.ORG](http://WWW.PUBLICGAMING.ORG)

### **EXPO HOTEL ALERT!**

To insure discounted room rates of \$159 per  
night, single or double, for the International  
Lottery Expo, Aug. 1-4, call the **Loews Miami  
Beach Hotel directly at telephone  
305-604-1601** this week. Be sure to mention  
International Lottery Expo when calling.

**MORE LOTTERIES SHOW STRONG SALES.** Lottery  
sales benefit **Connecticut's** residents in valuable  
ways. In fiscal year 2002, the Lottery transferred a  
record \$271.5 million to the state's General Fund,  
where it was used to improve the state's libraries and  
education systems, provide public health needs,  
protect our citizens through support to the public safety  
and judicial systems, and more. Since the Lottery  
began in 1972, our contributions to the General Fund  
have reached \$4.75 billion, and we've awarded more  
than \$7 billion to winners. Thanks to the support of  
residents all across the state, everyone in Connecticut  
wins.

**Iowa** Lottery sales and profits to the state were up in  
fiscal year 2002. Preliminary figures show the lottery  
raised \$48.1 million in revenues for state programs in  
FY02. That's up nearly 9% from FY01 profits and well  
ahead of the lottery's budget projections of \$42.2  
million for the year. Unaudited figures show lottery  
sales for the year were up about 3.5%, at \$181.2  
million, compared to \$175 million in FY 2001.

**New Jersey** Lottery revenues rose 14.5% in the past  
fiscal year, topping \$2 billion for the first time in the  
lottery's 32-year history. The rate of increase was the  
largest in more than five years. Lottery players  
contributed \$753 million to state programs, up 8% from  
the previous year. Only two of the seven games  
offered in the state saw sales drop from the prior year.  
Less than 1% of revenues supported administrative  
costs such as salaries, rent and advertising.

The **West Virginia** Lottery announced that lottery sales  
for FY02 reached \$849million. This is a record  
increase of 42% over the previous year, making it the  
13th consecutive year that the West Virginia Lottery  
had double digit increases in gross sales. The state's  
net profit from lottery sales, \$317 million, set an all time  
record as well, and represented a 68% increase over  
FY01.

**Wisconsin** Lottery sales rose 6.6% to \$427.6 million in  
FY02. The \$427.6 million in sales translates into  
approximately \$135 million in direct property tax relief  
that will be distributed through the Lottery Tax Credit  
and Farmland Tax Credit programs. Roughly \$240  
million was distributed in prizes, with the remainder for  
administration and retailer compensation. On-line sales  
in FY02 were up 16%, and Instant sales, which had  
been running nearly \$4 million behind last year's  
figures in the wake of the September 11 attacks,  
rebounded strongly in the last quarter to finish the year  
\$270,000 ahead.

**MD CELEBRATES MEGA MILLIONS SUCCESS.** In  
Maryland, Mega Millions sales are up 44% since the  
game was changed from The Big Game in May. The  
latest grand prize jackpot of \$165 million, won Tuesday  
in New Jersey, was more than double the average  
jackpot projections for the renamed game.

**NEW GAMING LAW IN BC.** A new law to strengthen and streamline the management of gaming in British Columbia and make it more accountable comes into effect on August 19, 2002. The Gaming Control Act makes the Gaming Policy and Enforcement Branch responsible for policy, standards, regulation, registration, enforcement, gaming licenses, horseracing and the distribution of gaming revenue. The BCLC will be responsible for the day-to-day operations of provincial gaming, including casinos, commercial bingo halls, and lotteries. The new act repeals the Lottery Act, the Lottery Corporation Act and the Pacific Racing Association Act.

**MISSOURI CHANGES CLAIM PERIOD.** Starting July 1, Missouri Lottery players will have 180 days instead of one year to claim Lottery prizes, as a result of a law change during the past legislative session. The shorter claim period will allow the Lottery to finalize game reports more quickly. Numbers Game ticket stock (paper), play slips and game information will be replaced with new language to reflect the law change during the next few months as they run out, rather than throwing away and reprinting the current inventory. Players with winning Numbers Game tickets that state the old one-year redemption on back will have to mail their tickets and an accompanying claim form to the Missouri Lottery for redemption if it is past the 180-day period.

**MARINERS, LOTTERY TEAM UP.** The Washington Lottery and the Mariners are stepping up to the plate to hit Home Runs for Reading. Lottery and Page Ahead representatives collected new children's books at the Mariners vs. Angels game at 1:35 p.m. Sunday, July 28. Fans 18 years and older received a free Lotto Plus ticket when they brought a new children's book to Sunday's Mariner's game at SAFECO Field. The children's books were be donated to Page Ahead, a children's literacy program that puts new books in the hands of children in need throughout the state. In 2002, Page Ahead will provide more than 133,000 new books to 45,000 children whose families do not have the resources to purchase them.

**NC BANS VLTs.** The NC State Senate voted 44-5 to approve a bill banning video poker machines in the state. South Carolina's ban on the machines caused many VLTs to make their way North. One State Senator claimed the passing of this bill had more to do with opening the way for a state lottery than protecting gambling addicts.

**VIRGINIA GOES WIRELESS.** The Virginia government is believed to be offering the first wireless state government portal in the U.S., at [www.vipnet.org/mobilegov](http://www.vipnet.org/mobilegov). Currently, only a select few government services are available through the site,

including tourist and lodging information, complaint filing and real-time election results, but mobile access of winning lottery numbers is planned for later in the year.

**HOUSE WILL VOTE ON LOTTERY.** North Carolina House Speaker Jim Black said that the state's Lottery referendum bill will still be voted on by the House before legislature adjourns this year. The bill stalled recently after passing a House committee, when Democratic leaders learned the bill was at least three votes short of passing. Elsewhere in NC, a Wake County Superior Court Judge Howard Manning ordered the state to develop a plan to show how it would provide North Carolina students a "sound basic education. Lottery proponents hope this will give them the political cover they need to pass the Lottery.

**HAWAII LOTTERY PROPOSED.** Hawaii's Democratic gubernatorial candidate D.G. "Andy" Anderson proposed a state lottery for public education. If elected governor, the candidate will propose creating a lottery that would raise an estimated \$30 million to \$40 million for public classrooms. Lottery revenue would supplement, not replace, state money for education.

**PA CANDIDATE PROPOSES KENO.** Ed Rendell, Pennsylvania's Democratic nominee for governor, said that the state should consider adding Keno to its lottery offerings. He feels the addition would increase revenue for elderly programs.

**GAMING UP DOWN UNDER.** The Australian Bureau of Statistics reported that Australians spent \$13.8 billion on gaming machines (slots/pokies), lotteries, horse racing and other forms of organized gambling in FY02 – a 21% rise since '97-'98. Gambling taxes and levies generated \$4.9 billion in government revenue, with 55% of the revenue coming from gaming machines.

**EL SALVADOR BANS GAMING.** El Salvador's congress has voted to outlaw gambling. Under the law, casinos can stay open but won't be allowed to sponsor any type of gambling — aside from a few exceptions like the lottery.

**CHINA MOVES TO #3 FOR INTERNET.** China is now the No. 3 user of the Internet worldwide. More than 45 million citizens now log on regularly, marking a 72% rise over last year. The U.S. and Japan rank number 1 and 2 for Internet usage.

**FOR LOTTERY EXPO INFO, SEE PUBLIC GAMING RESEARCH INSTITUTE'S WEB SITE: [WWW.PUBLICGAMING.ORG](http://WWW.PUBLICGAMING.ORG)**

## COMPANY ANNOUNCEMENTS

**ELVIS GOES TO IRELAND.** Elvis Presley licensed lottery promotions are about to make Ireland the second stop on their global tour, under terms of an agreement with the An Post National Lottery. The agreement will enable The National Lottery to market 1.4 million Elvis instant lottery tickets priced at two Euros each. In addition to cash prizes, the Irish game will offer trips for two to Graceland. After highly successful launches in the USA, the Elvis Presley lottery game went global last year with a launch in Australia, to the delight of Elvis fans in the land down under.

**FLORIDA, AWI & GTECH ENTER AGREEMENT.** The Florida Lottery, AWI and GTECH entered into an agreement regarding the Florida Lottery On-line Gaming contract. Under the terms of the agreement, the parties will cease all litigation pertaining to the contract. The Florida Lottery has also agreed to issue a new Request for Proposals (RFP) by Feb. 28, 2003 for the procurement of a new On-line Gaming System, to be installed as of Dec. 31, 2004. The Florida Lottery's On-line Gaming System has been provided by AWI since 1988.

**ILLINOIS ORDERS FROM INTERLOTT.** Interlott received an order from the Illinois Lottery for 250 16-bin ITVMs. The new 16-bin Expandable Dispensing System ITVMs are scheduled for delivery beginning in late August. The Lottery also extended its contract with Interlott for the lease, maintenance and service of its more than 2,800 unit ITVM network.

**INTERLOTT HONORED.** Interlott has been named for the third consecutive year and fourth time overall to The Plain Dealer 100, which recognizes top-performing publicly traded companies based in Ohio. The company returns to the list at number 62. Companies were ranked according to: 2001 revenues in millions of dollars; compound growth in revenues from 1999 to 2001; compound growth in net income from 1999 to 2001; return on average common equity from 1999 to 2001; total return from Dec. 31, 1998 through Dec. 31, 2001; percent change in net income margin from 2000 to 2001; and market value in millions of dollars at the end of 2001.

## PEOPLE & JOBS AVAILABLE

### VIDEO LOTTERY EXPERT WANTED.

Position available in Guatemala beginning in August for person experienced in overseeing video lottery operations. One-year contract with renewal option. Compensation: US\$75K to US\$90K. E-mail resume and availability to: [duaneburke@aol.com](mailto:duaneburke@aol.com).

### INSTANT TICKET PRODUCT MANAGER WANTED.

Position immediately available: The Leeward Islands Lottery Holding Company (LILHCo) is seeking an Instant Tickets Product Manager in St. Croix, US Virgin Islands. **Requirements:** Minimum 3-5 years of lottery marketing or sales experience in Instant Tickets. Applicants should fax resumes to Alonzo V. Walette, Special Assistant to the Chairman and CEO, Leeward Islands Lottery Holding Company at (268) 562-1643 or send via email to [awalette@ilh.com](mailto:awalette@ilh.com).

## Qe AWARDS REMINDER

PGRI's Quality and Excellence awards are for the staffs and leaders of the lotteries and the supplier organizations that make the revenues possible to accomplish the good works of the lotteries.

PGRI uses its annual International Lottery Expo as the forum for honoring these talented individuals.

The **Qe Award for Outstanding Achievement** will be presented to those recognized by their organizations for some particular contributions to their organization's success.

The **Qe Award for Outstanding Service** will be presented to those recognized for having contributed to the success of the lottery industry for a period of 15 years or more.

These awards are professional recognition in a professional forum for people upon whom successes of the lotteries depend. All candidates for whom PGRI receives a letter of nomination, **by July 22**, from any appropriate nominator, and who is able to attend the International lottery Expo in Miami, will receive an award.

E-mail or fax letters of nomination to Elsie Grote, Awards Coordinator, Public Gaming Research Institute,  
E-mail: [elsiepr2@aol.com](mailto:elsiepr2@aol.com); fax 425-803-6830  
For questions, call 425-803-2900.

Submit material for next week's Morning Report by Wednesday of this week to [Toddpr2@aol.com](mailto:Toddpr2@aol.com)



Dear Lottery Associate:

As co-hosts, it is our pleasure to cordially invite you to participate in this year's International Lottery Expo. The Expo is being held August 1-4 at the beautiful Loews Miami Beach Hotel in Miami Beach, Florida.

The very timely theme for Expo 2002 is "Advertising, Marketing, Sales and Revenue Strategies." Presentations and panel discussions will focus on the best of current developments and plans that lotteries are using to bring more money to the bottom line for the good causes of the lotteries. Every person attending should expect to go home at the end of the conference with new information and ideas that will help grow lottery revenues.

A key part of the program will be presentations by lottery suppliers from around the world showing the best of their new products and services to help the lotteries be most successful.

In addition, there will be the added benefit of participation from lotteries from outside of North America which will offer other perspectives and success stories.

At this time of great need for more revenues by each lottery jurisdiction, what better investment could there be for your time than finding new ways to increase those revenues?

If you haven't already done so, please register and make your hotel reservations today. We will look forward to seeing you at Expo 2002.

With best regards,

David Griffin  
Secretary  
Florida Lottery

Duane Burke  
CEO  
Public Gaming Research Institute, Inc.

Encl. International Lottery Expo 2002 Program



# International Lottery Expo 2002

Co-Hosted by the Florida Lottery & Public Gaming Research Institute, Inc.  
August 1-4, 2002 • Loews Miami Beach Hotel • Miami Beach, Florida

## Interim Program

Expo Theme for 2002:

**Advertising, Marketing, Sales and Strategies to Maximize Revenues**

### Wednesday, July 31

3 PM – 6 PM Registration Open

### Thursday, August 1

8 AM – 3 PM Exhibitor Set-Up

9 AM – 6 PM Registration Open

Noon – 2 PM **Sister Lottery Roundtable Sessions**  
Developed Lotteries Helping Developing Lotteries

3 PM – 5 PM **GENERAL SESSION I**  
**Welcome to Florida**  
**What's Happening at the Florida Lottery**  
Speaker:  
**David Griffin**, Secretary, Florida Lottery, Co-Host

**Welcome to International Lottery Expo And Introduction of Participating Lotteries and Companies**

Speaker:  
**Duane Burke**, CEO, PGRI, Co-Host

**The Challenges and the Promises of Lotteries Today – A Panel**

Moderators:  
**Rebecca Paul**, CEO, Georgia Lottery Corporation  
Panelists will be from among the attending directors who are available at Session I.

5 PM – 7:30 PM **Welcome to Florida Reception in the Circles of Learning**  
**Sponsor: Scientific Games International**

### Friday, August 2

8 AM – 6 PM Registration Open

9 AM – Noon General Session II

**The New York Lottery Success Strategies**  
**Win for Life - - What's Your Game Plan?**  
Generating \$20 billion for education, the New York Lottery doesn't leave it to

chance when it comes to accomplishing its mission. Instead, it operates with a strategic focus, strong internal controls, high expectations of accountability and a plan for the unexpected.

Speaker:

**Margaret DeFrancisco**, Director, New York Lottery

### **Video Lottery Implementation Strategies and Associated Revenue Results**

Lottery and Supplier Presentations Followed by a Panel Discussion

Video Lottery is currently the last principal lottery product not widely adopted by lotteries in the US and overseas despite the fact that it is the most important single revenue source in jurisdictions where it is implemented. The following speakers and panelists will provide useful information for lotteries wishing to pursue this extremely successful revenue strategy.

Speakers:

**Wayne Lemons**, Director, Delaware Lottery

**John Musgrave**, Director, West Virginia Lottery

Panelists:

Speakers + **Clint Harris**, Executive Director, South Dakota Lottery

**Duane Burke**, CEO, PGRI

### **Developments, Trends and Plans in Multi-Jurisdictional Games Around the World**

Multi-State Games – Getting Bigger; More Going Regional And Now Going International

### **Virginia Lottery's Most Successful Year Ever Thanks to the Lottery's Multi-State Lottery Games Strategy**

Speaker:

**Penny Kyle**, Director, Virginia Lottery, Mega Millions game member and member of the Lotto South regional lottery

### **Powerball's Big Bucks from Power Play**

Speaker:

**Doug Orr**, Advertising Director, Multi-State Lottery Association

### **'Real People' Lottery Draws: The brand building lottery idea of the century!**

Speakers:

**Robert Davidge**, Director Global Marketing, TeleCom Game Factory

**Michael Fisk**, Managing Director, TeleCom Game Factory

### **Game and Revenue Ideas and Developments From Latin America**

#### **Bolivia: Keeping Pace with Changing Technology**

Speaker: **Jorge Jordan**, President, Lotería Nacional de Bolivia

#### **Ecuador: Lottery College – Training of Sales Reps Makes Sales Sense; and Heightening Media Awareness and Creating Goodwill**

Speaker: **Javier Castillo**, Administrator, Lotería Nacional de Guayaquil

#### **Colombia: Lotería Uniapuestas: Profits from Lottery – A Good Bet**

Speaker: **Lisandro Lopez**, Manager

#### **Colombia: Lotería del Cauca: Magicticket.com, the New Game in Town**

Speaker: **Jose Pito-Zamora**, Manager

#### **Colombia: Sorteo Extraordinario de Navidad: Lotteries in Colombia**

Speaker: **Dr. Gilberto Caicedo**, Manager

Noon – 2:30 PM **Sister Lottery Lunch in the Circles of Learning**

**Sponsor: MDI: Media Drop-In Productions**

2:30 PM – 5 PM General Session III

**Lottery TV and POS Advertising Competitions**

All Ads shown will be voted upon by attendees to see which are most popular. PGRI will present each lottery showing ads in this session with an **Excellence In Lottery Advertising Award**. Those ads voted most popular will be announced at Expo and will be publicized in **Public Gaming International Magazine**.

**Moderator:**

**Sharon Sharp**, Lottery Consultant, Scientific Games Corp.

**Game and Revenue Ideas and Developments From Latin America (continued)**

**Colombia: Lotería del Tolima: Quality Management Systems**

Speaker: **Victoria Infante**, Marketing Manager

**Venezuela: Lotería de Falcon: A Vision of The Venezuelan Market**

Speaker: **Cedric Bages**, Manager

**The Hybrid Lottery: A Forgotten Game in the Lottery Market**

Speaker: **Alejandro Fontanet**, Sales Director, Scientific Games Latino America

**SCEL: Launch Revenues and Future Challenges**

Speaker:

**Ernie Passailaigue**, Director, South Carolina Education Lottery

**Managing Change in the Retail Environment**

Speaker:

**Tony Molica**, Director, Washington State Lottery

**Marketing Strategies That Work**

Speaker:

**Tricia Metzger**, Senior Marketing Specialist, California Lottery

**Georgia's New Loose Change Game**

New game in Georgia makes money from money people don't want.

Speaker:

**Rebecca Paul**, CEO, Georgia Lottery Corporation

**DC Lottery's Strategies for Marketing to the New Player**

Speaker:

**Jeanette Michael**, Executive Director, DC Lotteries and Charitable Games

**Raising Revenues Through Cost Reductions**

Speaker:

**Tom Shaheen**, Director, New Mexico Lottery

5 PM – 7 PM **International Guests Welcome Reception in the Circles of Learning**

**Saturday, August 3**

8 AM – 1 PM Registration Open

9 AM – 11 AM General Session IV

**Latest Uses of the Internet by Lotteries – A PGRI Survey Report**

Speaker:

**Duane Burke**, CEO, Public Gaming Research Institute, Inc. (PGRI)

**How About Totally New Money?**

Speaker:

**Nathalie Rajotte**, Director General, Ingenio, Loto-Quebec

**The Irish National Lottery and European Lottery Developments**

Speaker:

**Ray Bates**, National Lottery Director, An Post National Lottery Company of Ireland

11 AM – 1 PM

**Awards Brunch in the Circles of Learning  
Honoring all PGRI Quality and Excellence Award Recipients**

Master of Ceremonies:

**Duane Burke**, CEO, PGRI

**Introduction of Lifetime Achievement Award Recipient**

Speaker:

**Dr. Ed Stanek**, Commissioner, Iowa Lottery

**Lifetime Achievement Award Recipient:**

**Ray Bates**, National Lottery Director, An Post National Lottery Company of Ireland; President, European Lottery Association

**Quality and Excellence Awards for Individuals recommended by the heads of their organizations**

**Quality and Excellence Awards for lottery professionals with 15 or more years of experience**

**Quality and Excellence Awards for all advertising session contributors and announcement of most popular ads**

1 PM – ON

Open for private meetings and social activities

**Sunday, August 4**

9 AM – 11 AM

**Closing Session**

Open discussion and planning session for all attendees

11 AM

Expo Adjourned





# International Lottery Expo 2002

## Registration Form

***Twenty First Century Lottery Marketing & Revenue Strategies***  
August 1-4, 2002 • Loews Miami Beach Hotel • Miami Beach, FL USA  
Co-hosted by Public Gaming Research Institute and the Florida Lottery

First Name: \_\_\_\_\_ Last Name: \_\_\_\_\_

First Name for Badge: \_\_\_\_\_ Spouse's Name (if attending): \_\_\_\_\_

Title: \_\_\_\_\_ Organization: \_\_\_\_\_

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State/Province: \_\_\_\_\_ Zip/Postal Code: \_\_\_\_\_ Country: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-mail: \_\_\_\_\_ Web Site: \_\_\_\_\_

Registration Fees (check one):

Non-Government: \$795     Exhibitor: \$695     Government (No Charge)

Method of Payment:

Check     Amex     Mastercard     Visa

Credit Card #: \_\_\_\_\_ Exp.: \_\_\_\_\_

Print Name (as it appears on card): \_\_\_\_\_

Signature: \_\_\_\_\_

**Fax Registration Form to: Public Gaming Research Institute, Inc. at 425-803-6830.**

For additional information: Call, e-mail or see Web site:

Tel.: 425-803-2900 • E-mail: [elsiepgr2@aol.com](mailto:elsiepgr2@aol.com) • [www.publicgaming.org](http://www.publicgaming.org)

### **Hotel Reservations**

For the discounted room rate of \$159, please contact the Loews Miami Beach Hotel directly at:

Telephone: 305-604-1601 or 877-563-9762 • Fax: 305-535-5218 • [www.loewshotels.com](http://www.loewshotels.com)

Be sure to mention International Lottery Expo when calling.