

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

Public Gaming Research Institute Inc.'s

INTERNATIONAL MORNING REPORT

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ROCKLIN NAMED PERMANENT OR DIRECTOR.

Gov. Ted Kulongoski of Oregon has appointed interim director Brenda Rocklin as permanent director of the Oregon Lottery, effective Jan. 31. Rocklin is subject to confirmation by the Oregon Senate. 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. Before accepting the interim director's position, Rocklin had been an attorney with the Oregon Department of Justice since 1985. Rocklin is a graduate of Idaho State University and Willamette University College of Law

MAHLMAN TO HEAD PA. Edward Mahlman of Philadelphia has been selected as the new executive director of the Pennsylvania Lottery. Mahlman comes to the PA Lottery from Tierney Communications where he served as executive vice president and director of client services. He brings with him more than 26 years of Lottery experience, having worked directly with the Pennsylvania Lottery in an advertising leadership role since 1977. As executive director, Mahlman will oversee operations, games and promotions offered by the Lottery. Mahlman will also spearhead new initiatives such as the mid-day draw for the Daily Number and the Big-4 games, which will start on Tuesday, February 11.

OHIO RFP. A Request for Proposal (RFP) for the management of the Ohio Lottery's ITVM program has been released. Responses to the RFP are due back to the Ohio Lottery by March 3, 2003. The ITVM management contract runs from July 1, 2003 to June 30, 2005 with two possible contract renewals, each for a two-year time period.

VT STEPS CLOSER TO MULTI-STATE. The Vermont House Ways and Means Committee voted 6-3 on to recommend a bill allowing the state to participate in a multi-state lottery. It appears that VT legislators are ready to move on the bill now. A goal has been set to

have a multi-state game up-and-running by July 1.

OR LAUNCHES SCRABBLE. The Oregon Lottery launched Hasbro's SCRABBLE® through TeleCom Game Factory. The \$3 Instant allows players to win \$3 for completing just one word with their SCRABBLE® letters to as much as \$40,000 for eight words per ticket. The game tested very favorably in Oregon's focus group research, particularly with extended play enthusiasts.

BONUS BALL IN VA: Virginia launched a new Bonus Ball promotion February 1. 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 air and the results are shown through an animated sequence after the regular Pick 3 and Pick 4 drawings.

OREGON ADOPTS NEW POLICIES. Oregon State Lottery commissioners and the governor took significant steps to reduce expenditures. Commissioners banned first-class airfare and limited costs for lodging and meals. The panel also toughened the agency's ethics policy and will require employees to sign it once a year.

WY COMMITTEE VOTES FOR LOTTERY. The Wyoming House Corporations Committee voted 8-1 to recommend House Bill 160 authorizing the Pari-mutuel Commission to create a state lottery. However, the Senate Revenue Committee defeated a similar measure 4-1, meaning that if a lottery bill should pass the house, it may have a hard time getting through the senate.

TEXAS STEPS TOWARDS MATRIX CHANGE. The Texas Lottery Commission gave preliminary approval to change the Lotto matrix from 6:54 to 5:44 plus a 1:44 selection. The move would up the odds from 25.8-million-to-1 to 47-million-to-1. The new rule can't be given final approval before March 16.

DELAWARE WINS AWARD. The Delaware Lottery was honored with the Delaware Quality Merit Award. The award recognizes organizations for implementation of quality standards resulting in improved customer satisfaction and increased efficiency.

MO MAKES RECORD TRANSFER. The Missouri Lottery recently transferred \$23.5 million in proceeds to the lottery Proceeds Fund, making it the largest monthly transfer based on sales in the Lottery's 17-year history. The transfer can be attributed to the record Powerball jackpot on Christmas day.

NM MAKES SECOND LARGEST TRANSFER. December's record Powerball jackpot resulted in the second-largest monthly transfer of New Mexico Lottery profits for public education when the Lottery transferred

\$5,443,366 to the State. The Lottery's largest monthly transfer of profits was \$5,454,141 in September 2001.

QUICKDRAW SPEEDS UP. New York's Quick Draw Keno is getting even faster. Starting Feb. 23, the game will be offered every four minutes rather than at the current five-minute interval. The move is expected to bring the state an extra \$12 million per year.

AALE MEETING. The African Association of State Lotteries (AALE) and Uthingo are hosting a regional congress in Johannesburg in March 2003 on the theme "*Working Together, Winning Together*". The Association's Executive Meeting will be held during the congress, and lottery leaders from all over the continent will have a chance to share their lottery and gaming experience, learn more about the industry, and sample the delights of the magical country of South Africa. For more information, please contact Karen Bennett: telephone: +27 31 203 9800. fax: +27 31 201 8601. Email: karenb@stws.adcorp.co.za

COMPANY ANNOUNCEMENTS

iLOTTERY LAUNCHED IN CANADA. Bell ExpressVu has launched its fifth subscription-based interactive television (iTV) service, i Lottery. The new service provides winning numbers for all National, Regional and Provincial Lotteries across Canada. In addition to providing winning numbers on Channels 275 and 175 within 15 minutes of them being drawn, i Lottery allows subscribers to store their favorite lottery for quick access, and generate random numbers to help play the major lotteries. iLottery maintains the winning numbers for the last seven draws for each lottery.

APPLETON PAPERS CHANGES TRADE NAME. Appleton Papers Inc. has recently changed its trade name to Appleton. The company's e-mails have changed from firstname.lastname@appletonpapers.com to firstname.lastname@appletonideas.com. □

LOTTERY PEOPLE

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., a successful lottery consulting company he founded in 1990 to work with governments and lottery vendors to develop better products, better services, and increase net revenue for lottery operations. Prior to Lottery Services, he was President of the Governmental Services Group of Dittler Brothers, Inc. and Vice President/CFO of Scientific Games, 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.

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 numerous lotteries in the US, Europe, Africa, South and Central America. 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 where he established a network of 10,000 retail agents, 1,600 bank distribution offices and first year sales of \$100 million. Mr. Kirkland later joined American Totalisator (AmTote) and held management positions in Marketing, Operations and Project Management. Most recently Mr. Kirkland worked at Scientific Games as Director of System Sales & Marketing.

LOTTERY JOBS

VIRGINIA LOTTERY PRODUCT DEVELOPMENT MANAGER, #247, RICHMOND, VA. Successful applicant will be responsible for supervising the activities of a professional product planning and research staff, ensuring that projects are conducted efficiently, effectively and in accordance with the Lottery's needs and objectives. Responsibilities include: product design; promotional strategies; developing primary consumer research programs; conducting focus groups and industry research for use as basis of ideation for products, programs, promotions, and strategic planning; creating overall product development and long-term prize structure strategies. **PREFERRED QUALIFICATIONS:** Experience in new product design and development; ability to provide direction and supervision in the creation of new consumer products (to include instant and online games); demonstrated ability to plan, develop, and direct a comprehensive research & development program; experience in managing a professional planning and research staff; knowledge of business theory and techniques; thorough knowledge of the principles, practices and theory of survey and research techniques and methodologies; ability to communicate clearly and concisely (written and oral) and to prepare clear, technically sound, accurate and informative reports containing findings, conclusions and recommendations. Knowledge of the lottery industry is a plus. Graduation from a college or university with an MBA or related degree in economics, planning, business, public administration or a related field is preferred. Applicant must pass a background investigation. A comparable amount of training and experience may be substituted for the minimum qualifications. **Salary range: 63,050 - \$81,965.** Please e-mail resume indicating position name & number to: jobs@valottery.state.va.us. **Please paste resume into the body of e-mail**, or mail to: Human Resources, Virginia Lottery, 900 E. Main St., Richmond, VA 23219, or fax to: 804.692.7205. Resumes accepted until suitable candidate selected. www.valottery.com. EOE/AA

Submit material for next week's Morning Report by Wednesday of this week to Toddpgr2@aol.com