

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**  
February 2, 2004

**IN MEMORY OF GEORGE ANDERSEN.** Minnesota State Lottery Director George Andersen died at the age of 53 on Tuesday, January 27, leaving a sad, immeasurable void in the lives of his family, friends, and the Lottery that he ran so successfully for more than 14 years. Andersen, the first and only Lottery director in Minnesota, was appointed by former Gov. Rudy Perpich in 1989. He was the second most senior lottery director in the nation and was widely regarded as brilliant and knowledgeable in his field. A Pennsylvania native, he first served as deputy executive director of the Pennsylvania Lottery. Under his leadership, the Lottery contributed \$1.1 billion in accumulative proceeds to six Minnesota programs, chief among them the General Fund and the Environment and Natural Resources Trust Fund. Andersen was a pioneer and leader in many Lottery innovations. He was president of the executive board of the MUSL from Jan. 5, 1993 until June 30, 1994, and president of NASPL from 1998-1999. On June 17, 1999, Andersen received the 1999 Major Peter J. O'Connell Lifetime Lottery Achievement Award from Public Gaming Research Institute (PGRI). Andersen was a graduate of the University of Notre Dame and The Dickinson School of Law. Andersen, who lived in White Bear Lake, is survived by his wife Darlene and grown children, Mark and Beth. Services, attended by over 400 relatives, friends and associates, were held on Saturday February 1.

**PALUMBO TO HEAD NEW YORK.** New York Gov. George Pataki directed tax commissioner, Andrew Eristoff, to appoint **Nancy Palumbo** as the new director of the New York Lottery. She takes over for Margaret DeFrancisco, who assumed the position of CEO of the Georgia Lottery Corporation. Palumbo, a former state Senate employee, joined the state parks office in 1995 as deputy commissioner. Since 1999, she was in charge of finance and administration at the parks agency.

**TN SEES A GREAT FIRST WEEK.** The hard work resulting in an early launch continued to pay off for the Tennessee Lottery, as first week sales reached nearly \$41.3 million. The Lottery now will intensify its focus on Cash 3, a



**Schedule your next  
Crossword Game for  
Prime Time.**

CLICK HERE FOR A PDF BROCHURE



TV Guide and TV Guide & Design are registered trademarks of TV Guide Magazine Group, Inc. © 2003 TV Guide Magazine Group, Inc.

numbers game with a \$500 jackpot that will launch on or before March 20.

**PA LAUNCHES MATCH 6.** Tickets for the Pennsylvania Lottery's newest online game, MATCH 6 lotto, went on sale for the first time on Wed. Jan. 28. E Z Shoppe, 3026 Moravian Avenue, Allentown, sold the Lottery's first MATCH 6 lotto ticket at 5:06:42 a.m. MATCH 6 features a starting jackpot of about \$500,000 and offers more small- to mid-size cash prizes, ranging from \$2 to \$2,500. All MATCH 6 lotto prize payments, including the jackpot prize, will be made as one-time, lump-sum cash payments. MATCH 6 lotto also has better overall odds of winning a prize, 1-in-5.9. The probability of winning the jackpot by matching all 6-of-6 winning numbers is 1-in-4.661 million per game.

**FL CHANGES MEGA MONEY.** The Florida Lottery is changing the payouts of its Mega Money game next to increase jackpots to a maximum of \$2 million spread over 20 years. Jackpots will start at a minimum of \$500,000 and if there is no winner, roll over to a top prize of \$2 million. When the jackpot reaches the limit, the prize money paid to runners-up will also increase and are estimated to be double the normal prize amount. Tickets will still cost \$1 and drawings will still be held Tuesdays and Fridays. There will now be seven consolation prize levels for picking some of the numbers instead of six, including a chance to win a free ticket for matching just the Mega Ball.

**MD TO AWARD LONDON TRIPS AND HUMMER H2.** The Maryland Lottery has ushered in 2004 with a few new ultimate prize promotions. A new lottery ticket, Big Ben Bucks offers 100 first-class air travel packages for two, each valued at \$20,000. The game is the result of a cooperative agreement between the Lottery and British Airways. A second promotion, Lotto! Super Draw features a Grand Prize Second-Chance Drawing for a 2004 Hummer H2 and \$25,000. Additionally, ten \$25,000 winners will be chosen during the game's promotion from January 12 through February 14.

**CLUB KENO BOOSTING MI BOTTOM LINE.** Since the Michigan Lottery launched Club Keno on Oct. 27, it has brought in more than \$40 million - \$6 million more than expected. Michigan Lottery Commissioner Gary Peters expects the lottery to set a new sales record this year, after four years of declining sales. Lottery officials expected retailers to average \$2,000 in sales per week. Instead, sales for the week ending Jan. 19 averaged \$3,400. Keno now accounts for about 10 percent of the lottery's sales.

**PA LAUNCHES HAPPY BIRTHDAY.** The Pennsylvania Lottery launched a new instant theme game, LUCKY BIRTHDAY, on Tuesday, Jan. 27, 2004. LUCKY BIRTHDAY is a \$2 instant game with a top prize of \$100 that makes a perfect birthday present for that hard-to-buy-for person over 18 years of age. The game has more than 10,000 top prizes of \$100 and more than \$10 million in total cash prizes. The overall odds of winning a prize are 1-in-3.78.

**MANITOBA OKs SUNDAY VLTs.** The Manitoba government has ending its ban on Sunday gambling at bars and restaurants. Starting February 1st, bars and restaurants are allowed to operate VLTs seven days-a-week.

**MA LAUNCHES AD CAMPAIGN.** A new advertising campaign for the Massachusetts State Lottery featuring television, radio and print advertising began on Tuesday, January 27th. The campaign specifically promotes the Mass Lottery's Mega Millions game, and is aimed at creating jackpot awareness among the casual lottery player. The campaign is the first television campaign for the Massachusetts Lottery since 1997.

**TX GOES SELF-SERVE FOR ON-LINE.** The Texas Lottery is looking to install approximately 1,000 ATM-like on-line ticket dispensing machines at retail outlets across the state. The machines will also have a scanning feature that will tell players whether their ticket is a winner. The self-service terminals are expected to be operational by August.

**CA SAYS NO TO HIGHER PAYOUTS.** The California Senate rejected a bill proposing to increase California Lottery payouts from 50% to 60%. The bill, which would have cut the beneficiary dollars from 34% to 26%, lost by a count of 19 to 13. The bill would also lower funding for lottery administration from 16% to 14%.

**TX TO TAKE A PEAK AT VLTs.** Texas Governor Rick Perry is reportedly looking for options to raise more than \$4 billion for education initiatives and lower property taxes for Texas homeowners. A spokesman for the governor said all options except a state personal income tax will be considered. One of the options would see VLTs at horse and dog tracks.

**SD LEGISLATORS WANT VLTs GONE.** Nineteen South Dakota lawmakers have united in an attempt to do away with VLTs. They are backing a bill that would make owning a VLT a felony, and replace the lost revenue with an increase in the state's sale and use tax.

**SENATE APPROVES TN BOARD.** Tennessee's seven lottery board members, appointed by Gov. Phil Bredesen in June, were unanimously approved by the state Senate on Monday; Jan. 26. Now the board must gain approval from the House.

**ISRAEL CHOOSES UNDERWRITERS FOR BOND.** Israel's Mifal Hapayis has chosen two underwriting firms to manage its bond issue: Gmul Sahar Securities Brokerage Services and Discount Capital Markets and Investments. The

bond issue is aimed at raising NIS 500 million from institutional investors. This is Mifal Hapayis' first-ever bond issue.

**SAZKA SELLS TICKETS FOR 2004 HOCKEY CHAMPS.** SAZKA opened another round of sale of tickets for the 2004 Ice Hockey World Championship on Monday, 26th January 2004, at 05.00 p.m., this time through online terminals. The Championship will take place in the cities of Prague and Ostrava, Czech Republic, on 24th April through 9th May 2004. In Prague, the national teams will play in a new, modern, state-of-the-art multipurpose SAZKA ARENA, which is currently being completed by SAZKA. SAZKA ARENA is scheduled for opening on 27th March 2004.

## COMPANY ANNOUNCEMENTS

**POLLARD ENTERS LICENSED MARKET.** Pollard Banknote has created a strategic business unit devoted to licensed products, following many years of successfully designing and manufacturing licensed games for their lottery clients around the world.

**SMARTPLAY SUPPLIES VAULT MACHINE FOR IRELAND.** Smartplay recently supplied a custom bank vault machine for the New Year's Eve edition of National Lottery of Ireland's Winning Streak Millionaire game.

**SPANISH CUSTOMER SIGNS GTECH.** GTECH signed a product sale agreement to provide new online lottery terminals to Sistemas Tecnicos de Loterias del Estado (STL), the operator of the online system for the National Lottery in Spain. Under the terms of the agreement, STL will replace 2,500 existing Spectra online lottery terminals with 2,500 Altura terminals. In addition, GTECH will continue to provide STL with terminal maintenance and repair services.

## LOTTERY PEOPLE

West Virginia Gov. Bob Wise has appointed Lottery Director **John Musgrave** to a cabinet position in the WV Department of Tax and Revenue. Musgrave will serve as deputy secretary of the Department of Tax and Revenue and will assume the title of acting secretary. He will continue to manage the Lottery in his capacity as director, a post he has held since 1997. He has previously served as mayor of his hometown, Point Pleasant, and held management positions in the U.S. Department of Agriculture.

Cirsa Business Corporation has appointed **Joan Julia**, former executive of chemicals group DSM, as business director and board member.

### LAST CALL FOR SMART-TECH 2004

Friday, February 6 at 3 PM is the start of this year's SMART-Tech conference. Lotteries from the United States and Canada will share marketing, sales and operating experiences likely to help other lotteries E-mail registrant information and credit card data (for non-government only to: [susanjason@aol.com](mailto:susanjason@aol.com). /T.425-922-6433. Hotel: Peabody, 901-529-4000.