

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

**Public Gaming Research Institute Inc.'s**

# **INTERNATIONAL**

# **MORNING**

# **REPORT**

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***Public Gaming International Magazine***  
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**CALIFORNIA DREAMIN'.** California schools reaped \$112 million as the state's February 16<sup>th</sup> SuperLotto jackpot of \$193 million became the largest ever single state jackpot in the U.S., and the fifth largest including multi-state. There were three winners. I was not one of them.

**LET ME IN!** Some South Carolina Lottery retailers are feeling left out – probably because they're being left out. With a little over 3,200 \$3,000 machines offering online games, 5,000 retailers applying, and no idea on how the games would sell, the Lottery had to make hard decisions based on anticipated sales, demographics, and distance to the NC border. Online sales for SC are scheduled to begin March 7<sup>th</sup>.

**TWENTY-NINE AGAIN?** The Connecticut Lottery Corporation celebrated its 30th Anniversary on Friday, Feb 15. The festivities honored former Connecticut Gov. Thomas J. Meskill, who signed the lottery bill into law, and John "Tony" Miscikoski, the former state representative who pushed the passage of the Lottery bill. Since 1972 the Lottery has generated \$12 billion in sales, awarded nearly \$7 billion in prizes to its players, granted over \$500 million in commissions to its retailers, and has transferred over \$4.6 billion to the General Fund. The first tickets sold for 50 cents and the first prize was \$5,000.

**TATTERSALL'S ONLINE.** Tattersall's of Australia recently launched an online casino – TattsGames.com. The site is operating under an interactive gaming license from the Tasmanian Gaming Commission, and offers Blackjack, Poker, and slot games. A 20% sign-up bonus is available to attract new players.

**ALOHA IMPACT STUDY.** Two Hawaii State Senate Committees approved a bill that would authorize a \$400,000 study on the economic and social effects of

gambling. Public sentiment supports the study, as long as it is done by independent researchers with no political, gambling or anti-gambling ties. Still, whatever they find, it doesn't look like legislation to legalize gambling will be heard this year.

**SARATOGA OKAYS VLTs.** The Saratoga County Board of Supervisors overwhelmingly approved VLTs at the Saratoga Equine Sports Center in New York State – the vote was 20-3. It looks like December will mark the beginning of VLT usage at the track. Of course the state law allowing VLTs is being challenged in court, but we all knew that would happen.

**UNCLAIMED WV VLTs.** Licenses to operate nearly 3,300 VLTs remain unclaimed in West Virginia, but Lottery officials are quick to point out that they are well ahead of projections, and expect to sell the remaining licenses. 1,437 terminals are running statewide, pulling in \$130.72 per day – putting them nearly two months ahead of projections.

**TEXAS WINS COMMUNICATOR AWARD.** The Texas Lottery Commission has been internationally recognized for excellence in the communications industry. They won their second Communicator Award for a video news release on their new drawing studio. They were chosen out of 3,401 entries. Congratulations Texas Lottery!

**VOTING LOTTERY IN THAILAND?** Thai officials may be starting a lottery aimed at luring voters to the polls. People would register for the lottery when they vote, then the lottery drawing would be held at a later date. Thailand has had problems with vote buying and other voting irregularities in the past, so this is being billed as one way to keep that from happening.

**AMERICA ONLINE.** Some Americans aren't bothering to wait for Internet gambling to be declared legal. Bear Stearns claims that over 2 million U.S. residents gamble online regularly. That's not the only surprising figure. There were over 2.5 billion ads for gambling sites on the Internet, making gambling the fifth largest online advertising segment.

**NORTH CAROLINA LOTTERY?** North Carolina Governor Mike Easley is once again talking about a state-run lottery. While the \$900 million budget shortfall probably won't be enough to generate the support needed to put the Lottery on the ballot, some feel the numbers could be close enough that with some political trading the lottery could pass.

**NEW HAMPSHIRE VIDEO VOTE.** New Hampshire Gambling proponents are pushing eight licenses that would allow 5,500 VLTs in the state. The machines would raise an estimated \$378 million. The good news is that

even some gambling opponents in the state Senate voted to send the proposal to the Finance Committee. The bad news is that even if the bill passes the Senate, it still has to go through the House, which recently voted down a similar VLT proposal.

**I WANT MY VLT.** Some Maryland bars and restaurants along the West Virginia border are seeing a lot of their business crossing the border to establishments that allow VLTs. While they are starting to grumble that they want VLTs, don't expect anything to happen until gambling opponent Parris Glendening leaves the Governor's seat.

**NARROW LOSS FOR SCI GAMES.** Scientific Games reported a fourth-quarter loss of \$1.6 million (4 cents a share), before non-cash preferred stock dividend and special items. Last year's fourth quarter saw a loss of \$12.6 million before items. The company expects 2002 revenues to be above \$500 million, with meaningful positive earnings per share for the year. For more info: [www.scientificgames.com](http://www.scientificgames.com).

**BUSINESS IS BOOMING.** The Rhode Island Lottery has become the third biggest source of income for the State. The Lottery is poised to provide nearly 10 percent of the state's budget next year, placing it behind only income tax and sales tax. Way to go lottery!

**A THREAT TO LIBERTY.** Fulton County Superior Court Judge John Goger overturned a recent law in Georgia that made the video forms of poker, keno and other casino games illegal, and went so far as calling that sort of lawmaking a threat to liberty. Expect the decision to be appealed.

**BACK BY POPULAR DEMAND.** Daily games players in Virginia liked the Lottery's online second-chance drawings so much last year that the promotion is coming back in 2002. The 3-4-5 Cash Sweepstakes offers daily games players a second chance to win prizes of \$3,000, \$4,000 and \$5,000. The promo will run in March and April. Virginia's daily games are Pick 3, Pick 4 and Cash 5.

**STOP THE PRESSES!** In a surprise move, the anti-gambling expansion contingent in Missouri is challenging the Missouri Lottery's decision to approve Quick-Draw Keno. Rep. Pat Kelley has filed a bill to stop the game until the Legislature can review it. The game is scheduled to begin June 1.

**WASHINGTON SLOT BILL.** Washington State Senate Bill 6193 would allow 40,000 slot-like machines in the state's 200 private card rooms, mini-casinos and bingo halls. The bill would significantly increase the state's tax revenue, and help to fill the \$1.2 billion operating deficit it is facing.

**LOTTERY BONDS.** An inventor has devised a way for states to issue bonds backed by dollars from lottery players. By selling the bonds, states can get future money sooner. Theoretically, lotteries would pay the winners first, and then pay bond holders out of the rest of the pot. Because the risk is spread out among investors, bigger jackpots can be afforded.

**SCALPIN' LOTTO.** California received reports of illegal online ticket sales while in the midst of their record-setting \$193 million SuperLotto Jackpot run. Scalpers sell the tickets (illegally) over the Internet to out-of-state residents. If the Lottery finds a winner bought the ticket illegally their jackpot would be revoked. That's got to hurt!

**GOING FOR MORE GREEN.** Five-dollar games continue to sell extremely well in Virginia. There has been no cannibalization from the intro of \$10 games, which have also done well in the Old Dominions since first introduced late last year. Virginia players were ready for \$10 games. Consumer sales for the first week of Millionaire Party were better than the first week of any \$5 game in the state. In January, Virginia introduced its second \$10 Scratcher, a Blackjack game with another million-dollar top prize. The third is scheduled for May.

**SEEING RED.** Players are going nuts for the Taiwan Lottery. The recession-struck island of 23 million people spent an average of T\$1.3 billion (US\$37 million) in each of the first nine draws. Players are reportedly flocking to temples to consult spirit guides for winning numbers, and several are wearing red underwear for good fortune. Let me know if it works.

**POLITICAL GAMBLE.** The gambling expansion debate is really heating up in Minnesota. Senate Majority Leader Roger Moe has changed his mind and decided he is supporting a bill calling for a state-owned casino in the Twin Cities, while groups from the left and right are joining forces in opposition. It's really bringing people together. Governor Jesse Ventura says he isn't staunchly opposed to a state-owned casino.

## 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

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