

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
June 16, 2002

MAKE PLANS FOR PGRI's INTERNATIONAL LOTTERY EXPO. Mark July 18-21 on your calendars for PGRI's International Lottery Expo which will be held at the fabulous Sonesta Beach Resort in Key Biscayne, FL. Hotel rooms can be reserved by calling the Sonesta at **305-361-2021**. **The deadline for discounted hotel rooms at the Sonesta is June 17.** For more information, please call PGRI at **425-803-2900** or visit www.publicgaming.org.

LOTTERY SIGNED INTO LAW. Tennessee Gov. Phil Bredesen signed the Tennessee lottery bills into law this last week. Apparently, the state is still aiming for a January 1, 2004 start-up date, something that has been dubbed by a major lottery vendor executive to be challenging, yet achievable. Now that the legislation is signed, the Governor will begin the task of naming seven members to the Lottery corporation's board of directors – a task that is hoped to be completed by July 1. The board will hire an executive director and oversee the tasks necessary to launch the Lottery. The scholarship program is set to start in the fall of 2004.

TX LEGAL FOR MULTI-STATE. Texas Governor Perry signed HB 3459 last week, allowing the state to participate in a multi-jurisdiction Lottery game. The Texas Lottery Commission is currently gathering information in order to explore the possibility of entering into a multi-jurisdiction lottery game. The portions of HB 3459 relating to participation in a multijurisdiction lottery game take effect September 1, 2003. The law could generate more than \$100 million in additional revenue in the next biennium.

HOUSE PASSES INTERNET GAMBLING BAN. The U.S. House of Representatives has voted 319-104 to prohibit gamblers from using credit cards, checks and EFTs to pay for Internet betting transactions. A vote to add an exemption for any lawful transaction authorized by a state passed 237-186, meaning that the fate of lotteries on the Internet would be left up to individual states. There has been no word on the progress of a similar bill in the Senate.

CT JOINS AMBER ALERT. The Connecticut Lottery Corporation is committing the resources available in its

extensive retailer network and employee staff force to assist Connecticut's law enforcement professionals whenever an AMBER Alert is issued.

NY UNVEILS NEW RETAILER INCENTIVE PLAN.

The New York Lottery announced plans to modify the agency's retailer incentive program to include a regional sales and cashing component. The new Top 100 plan is designed to reward more retailers, more often. Incentives for the new Top 100 regional program will be awarded twice a year using ticket sales and validation data from a pre-determined 10-week sales period. The Lottery will review both on-line and instant game sales data from the top 200 retailers based on total sales per location in each of five sales regions. From that pool of 200 retailers, the Lottery will select 100 retailers per region with the highest percentage of total validations to total sales over the 10-week period. Those Top 100 retailers will qualify for a special promotion to be underwritten by the New York Lottery. Retailers may qualify to win more than once. The new incentive program is open to all licensed, independently owned Lottery retailers in New York. In addition, the Lottery has announced plans to extend its Mega Millions retailer bonus program through May 2004. Introduced in 2002 as a limited-time incentive to support the introduction of New York's Mega Millions game, the revised incentive plan awards retailers a \$10,000 bonus for selling a jackpot-winning ticket for New York's Mega Millions game.

FL ELIMINATES PRIZE CLAIMS AT DISTRICT

OFFICES. Starting July 1, The Florida Lottery's district offices around the state will no longer award prizes. Those claiming prizes higher than \$600 will have to go to the Florida Lottery building in Tallahassee or utilize the mail to collect prizes between \$600 and \$250,000. Winners of prizes higher than \$250,000 have always had to go to Tallahassee to redeem their prize. The policy change is expected to save the state \$1.6 million.

LUCKY DOG. On June 28th the Missouri Lottery is launching a "Lucky Dog" Photo Contest. The Lottery teamed with Three Dog Bakery in Kansas City to give dog owners a chance to win prize packages with Scratchers tickets, memberships to the Three Dog Bakery Original "Lucky Dog Club," doggy treats and Lottery T-shirts. In addition, certain dogs will be featured on the Lottery's Web site. To enter the Contest, players must mail or e-mail a photo of a special dog and answer why he or she is lucky in 100 words or less. The Missouri Lottery and Three Dog Bakery will select a total of 37 photos. The grand-prize winner will receive 50 \$1 Missouri Lottery Scratchers tickets, a 12-month membership to the Three Dog Bakery Original "Lucky Dog Club," two "Dog Gone Lucky" Missouri Lottery T-shirts and a front-page feature on molottery.com.

WV LAUNCHES VETERANS GAME. Included in four new instant games the West Virginia Lottery plans to introduce this month is "Veterans Cash 5," the fifth instant game designed under special legislation to provide funding for a skilled care nursing facility benefiting West Virginia veterans. Designed on an oversized ticket, "Veterans Cash 5" includes more than \$1.8 million in cash prizes. A continuation of instant games featuring WWII, Korea,

Vietnam and Operation Desert Storm, the new game tickets display a striking red, white and blue patriotic design. Provided by the Legislature in 2000 to earmark funds for a 120-bed, 75,000 sq. ft. centralized nursing facility for West Virginia veterans, the Lottery's four veterans' games have paved the way for a fall groundbreaking ceremony planned in Clarksburg. The special legislation allows the Lottery to give all net revenue to the \$23 million project. Approximately 68 percent of game revenue is returned to players in prizes to help promote game sales.

BEETLE BAILEY HELPS VETERANS IN MONTANA.

The Montana Lottery and Montana Department of Veterans Affairs are utilizing Beetle Bailey to help raise \$250,000 for a new lodging facility that will provide overnight, low-cost lodging for families of seriously ill veterans who are inpatients at the Fort Harrison Medical Center. The Lottery is donating 1,800 museum-quality "Beetle Bailey" posters to be sold to raise funds for the facility. Bailey creator Mort Walker will sign 300 of the posters before they go on sale.

VEGAS BINGO. The West Virginia Lottery introduced a \$5 instant ticket offering players four different Bingo games on a single ticket and instant prizes up to \$25,000. Utilizing the popular postcard method of mailing entries that was introduced with the \$1 "Road to Vegas" tickets, "Vegas Bingo" also includes entries for the Lottery's Powerball Instant Millionaire TV game show drawing.

OREGON RECONSIDERS SLOTS. Oregon Governor Ted Kulongoski is joining with lawmakers in considering expanding state-sponsored gambling in order to help fill the budget deficit. One scenario may see the Oregon Lottery adding slot-styled games to its VLTs – a change that would generate an additional \$90 million over the next two years.

VLT BILL PROPOSED IN OHIO. Ohio Senator Louis Blessing proposed a measure that would bring the subject of VLTs at state horse tracks to a public vote. If it passes the bill could conflict with a House bill asking voters to choose between expanded gambling or a higher sales tax.

HOOSIER REVAMPS MILLIONAIRE. The Hoosier Lottery's new format of its weekly 'Millionaire' television game show recently debuted. The first segment of the new show drew an 11% share of viewers, whereas previous shows in May were drawing a 9% share. Millionaire is the longest-running state lottery show in the country. In the new version of the show, contestants no longer have to choose between taking \$100,000 and quitting or trying for even larger prizes. Now players try to get the highest score possible, because, over a twelve week period, the six winners with the highest score will compete for a guaranteed \$1 million prize.

UGANDA LAUNCHES LOTTO. The Uganda Lottery Company launched its flagship Lotto game in early June. The Lottery invested approximately \$6 million (U.S.) in the project. There are currently 200 Lotto outlets.

NEW THAI GAMES TO START SOON. Thailand's new two and three-digit lotteries could start as early as July 16. Government designated retailers will travel throughout the country selling tickets. Retailers will serve as mobile agents

for the post office, which carries out the final transactions. Tickets cost Bt20, Bt50 and Bt100.

COMPANY ANNOUNCEMENTS

MI EXTENDS GTECH. GTECH entered into a three-year contract extension with the Michigan Lottery. As a result, GTECH will continue to provide online lottery products and services to the Michigan Lottery through January 20, 2009. The Michigan Lottery also exercised an option in its existing contract with GTECH that includes the provision by GTECH of equipment and services for Club Keno®. Club Keno is expected to be introduced in age-controlled retailer locations throughout the State of Michigan beginning in October 2003. The number of Lottery designated keno locations in Michigan is expected to grow to 3,000 over time. GTECH will enhance the Lottery's central system hardware and software, and supply approximately 2,500 additional Isys® terminals for the Lottery's current online games.

MN EXTENDS OGT. Oberthur Gaming announced a one-year contract extension with the Minnesota Lottery for instant scratch games and services.

PLAYWIN LAUNCHES DAILY KENO. India's Playwin Lottery has launched a daily Keno game. The company already offers Super Lotto, Thunderball, and Lucky 3 in its portfolio of lottery games. Playwin, which launched its first lottery in March of last year, currently has more than 5,000 retail outlets.

LOTTERY PEOPLE

Loto-Quebec announced that Casino de Montréal security agent **Michel Dugal** will be officially recognized by the Priory of Canada of the Most Venerable Order of the Hospital of St. John of Jerusalem for saving a life. Dugal is being honored for his intervention in Longueuil in April 2001, while off-duty. He resuscitated a young woman found lying on the ground unconscious. The recipient demonstrated alertness and skill, immediately applying his theoretical and practical knowledge of first aid.

Leslie Stone Heisz has been appointed to the Board of Directors of IGT. Heisz has been a Senior Advisor with Lazard Freres & Co. LLC since March 2003. From 1995 to 2002, she held the positions of Director and Managing Director of Dresdner Kleinwort Wasserstein. From 1987 to 1995, Heisz was with Salomon Brothers Inc, first as an Associate and then as Vice President and a senior member of the Gaming and Lodging Group.

Thomas V. Chema, former director of the Ohio Lottery, has been named interim president at Hiram College. Hiram's President, Richard J. Scaldini is on sabbatical for a year to do research and writing.

Schafer Systems Inc. is excited to introduce the newest sales team member, **John Krogman**. John comes to Schafer from Connect-A-Dock. He has a BA in Mass Communications from Briar Cliff College and brings more than 12 years of sales, customer service and production experience. He is currently serving as Mayor of Atlantic, Iowa.

Submit material for next week's Morning Report by Wednesday of this week to Toddprg2@aol.com



INTERNATIONAL LOTTERY EXPO PROGRAM TOPICS

- Welcome Remarks from the New Secretary of the Florida Lottery
- High-Tech Solutions At The South Carolina Lottery
- Making Use Of Mobile Services To Promote Or Market Games
- Still More Room For Revenue Growth Using Instant And Licensed Games
- New Developments In Using The Internet For Lotteries
- Introduction To New Lottery Directors
- Video Lottery Revenues
 - How Much To The Lottery's Bottom Line
 - Race Tracks And Lotteries Working Together
 - Other Help For States Wanting Video Lottery
- Plans For New Lottery States: Tennessee And North Dakota; And Prospects For Additional Lotteries In The Near Future
- The Visionaries—Lottery Leaders Offering Their View Of Lottery Revenues, Growth Prospects And The Application Of New Technologies
- New Strategies In Advertising And Promotions
- Building More Revenue With Multi-State Games
- The Multi-State Lottery Association—Leveraging The Powerball Brand To Introduce New Games
- Today's Options For Lottery Drawing Equipment And Services
- Developments In Lottery Ticket Dispensing
- Lottery Advertising Competition For TV, Radio And Point-Of-Sale Ads
- How Does She Do It? Rebecca Paul's Management Strategies—Experience In Guiding Two Of The Most Successful Lottery Start-Ups Ever
- Qe Awards For Excellence In Lottery Leadership, Advertising And Service For 2003
- Lottery Lifetime Achievement Award For 2003
- Iowa's New Lottery Law And Its Advantages For All Lotteries
- Expanding Regional Multi-State Games
- Lottery Technology Workshop
- Lottery Advertising And Marketing Workshop



International Lottery Expo 2003

Registration Form

July 18-21, 2003 • Sonesta Beach Resort • Key Biscayne, 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: Please call, e-mail or see Web site:

Tel.: 425-803-2900 • E-mail: elsiepr2@aol.com • www.publicgaming.org

Hotel Reservations

For the discounted room rate of \$98 (government)/\$125 (corporate), please contact the Sonesta Beach Resort directly. Room rate does not include tax and resort fee of \$12 per day.

To ensure the disounted Expo rate, you must book your rooms by June 17, 2003.

Telephone 305-361-2021 or 800-477-4556 • Fax 305-361-3096 • www.sonesta.com

Be sure to mention International Lottery Expo when calling.



Scenes from the Sonesta Beach Resort, Official Hotel for the 2003 International Lottery Expo

International Lottery Expo 2003

Co-hosted by the Florida Lottery • July 18-21, 2003 • Sonesta Beach Resort in Key Biscayne, FL



For more information, please contact Public Gaming Research Institute, Inc. at 425-803-2900, fax 425-803-6830, e-mail publicgam@aol.com, or [click here](#) to visit us on the Web at www.publicgaming.org

[Click here to visit the fabulous Sonesta on the Web.](#)