

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**  
March 1, 2004

## **Remembering the Family Of George Andersen.**

There is nothing that can replace our loved ones when they pass on. But those of us who are left can try to ease the suffering of the family with donations to help them through the day-to-day challenges of carrying on without their loved one.

A trust for the George Andersen family has been established for this purpose and to which some companies have already made pledges. This support is deeply appreciated by the family.

Those companies that have not yet pledged a donation may do so by sending an e-mail to [duaneburke@aol.com](mailto:duaneburke@aol.com) committing your pledge. You will be sent an invoice for your pledge on behalf of the family fund.

Those companies and *individuals* who wish to, may send their donations directly to the family fund account as noted below:

"Darlene Andersen, Trustee" account  
Affinity Plus Federal Credit Union  
175 West Lafayette Road  
Saint Paul, MN 55107

Please note if the family may publicly acknowledge your pledge or donation – amounts of pledges and donations will be confidential.

**OLGC SHAKE-UP AT THE TOP.** Stanley Sadinsky has resigned from his role as Chair of the OLGC and Tim Reid has been appointed Chair of the Corporation in his place. Reid has enjoyed four decades of government management experience, and has been president of the Canadian Chamber of Commerce. Duncan Brown has been appointed CEO of the OLGC effective March 13. Most recently, Mr. Brown was CEO of the Alcohol and Gaming Commission of Ontario. Sadinsky has agreed to provide consulting services to the Ministry of Economic Development and Trade and the Ministry of Health and Long-Term Care in the area of problem gaming.

**MEGA BUZZ.** Last weekend's buzz was all about the Mega Millions jackpot. Record sales pushed the estimated \$230 million jackpot all the way up to \$239

million by the time of the drawing at 11:00 p.m. on Friday, February 20. One ticket in Virginia matched all six numbers. The excitement started with the drawing itself, which was conducted live from Times Square in New York. The Today Show, Good Morning America, and MSNBC had special features about Virginia's winning Mega Millions ticket; so did newspapers and television stations all across the country. As of Wednesday, February 25, Virginia Lottery officials were still waiting to hear from the winner.

## **NATION'S FIRST INTERNET LOTTERY GAME**

**DEBUTS IN NEW JERSEY.** On February 23<sup>rd</sup> New Jersey Lottery players experienced a new future of lottery games. *Cyber Slingo* offers lottery players two distinctive play areas: the traditional scratch-off portion, and a new, Internet component. The game is the first of its kind in the nation. To take part in the web portion of the game, New Jersey players visit [www.njlottery.net](http://www.njlottery.net), input the access code printed on the ticket, and "play" a short, five-minute *Slingo* game by completing a series of horizontal, vertical and diagonal rows to achieve the highest score. Players cannot purchase Cyber Slingo tickets on-line nor can they win any prizes through the Internet – purchase/redemption must happen through registered retailer locations. Also, players are not required to go online to win, needing only to ask retailers to scan the Internet Play ticket.

**ALC TO LAUNCH INTERNET PLAY.** The Atlantic Lottery Corporation announced plans to open an online version of its casino, trying to stop the tide of regional dollars from flowing into offshore Internet casinos. It's been estimated that Atlantic Canadians spend as much as \$20 million a year on Internet gambling. Games such as Lotto 6/49, Super 7, and sports games could be offered online, and strict controls will be in place to keep minors from playing.

## **TELC NEEDS MORE TERMINALS, ON TARGET FOR GOALS.**

The Tennessee Lottery has brought in \$141 million in its first 35 days, funneling \$30 toward the State's education fund. TELC CEO Rebecca Paul feels the Lottery should reach its goal of raising \$88 million for education in the first year. The Lottery will certainly not experience a distribution problem. Retailer demand is greatly exceeding the number of available terminals.

## **COMMISSION REDUCTION PROPOSED IN OR.**

Oregon Lottery Director Brenda Rocklin has proposed that the state's 2,000-plus video poker retailers should see a drop in commission, but that the move should be phased in over a six-year time period to ease the financial burden the changes would present to small businesses. Rocklin proposed that the average take for retailers drop from an average of 32 percent of net receipts down to 25 percent this year, then drop again somewhere between 22 and 23 percent in 2007. The change would garner \$35 million for the state in the first year, and \$48 million annually after the change in 2007.

**COMMITTEE APPROVES MD SLOT BILL.** A Maryland Senate committee (Budget and Taxation) voted 11-2 in favor of authorizing 15,500 slot machines at up to six

locations around the State. There have been some changes in the bill, one being requirement of competitive bidding, which meet some of the objections of House Speaker Michael Busch, who was instrumental in defeating the bill last year.

**OREGON SPEEDS-UP KENO DRAW.** The Oregon State Lottery has increased the frequency of its Keno drawings in an attempt to boost revenue. The drawings are now held every four minutes, instead of five. Keno sales have increased an average of 19 percent in the five states that have made the switch from five minutes to four.

**WV LOWERS VLT LICENSE PRICE.** The West Virginia Lottery Commission has reportedly reduced the bid price for limited video lottery licenses, from \$3500 to \$3000. The adjustment was made to accommodate smaller retailers.

**HOOSIER TRANSFER BIGGEST IN YEARS.** The Hoosier Lottery transferred \$56.5 million in profits to the state of Indiana on Jan. 31. This is the largest quarterly transfer since it gave the state \$64.4 million on Oct. 31, 1998. Jack Ross, director of the Hoosier Lottery, said the near-record transfer is attributable to the extraordinary sales levels achieved in 2003. The Lottery's total revenue last fiscal year climbed to \$664.4 million, an increase of about \$38 million over 2002. The state will direct \$7.5 million of the total to teachers' retirement funds, another \$7.5 million to the pensions of police officers and firefighters, and \$41.5 million to the Build Indiana Fund, primarily for Motor Vehicle Excise Tax relief.

**MATCH 6 PRODUCING LOTS OF WINNERS.** MATCH 6 Lotto gives Pennsylvania Lottery players more ways to win and more winning experiences. This statement is now backed by some facts. MATCH 6 lotto players have had more than one million winning experiences since the game's initial drawing on January 30, 2004. The first six MATCH 6 lotto draws produced 1,066,340 winning tickets with a total prize value of \$4,872,315.50. Players can match numbers in the traditional way, on one horizontal line of play or "base play." However, MATCH 6 lotto introduces Pennsylvanians to a new style of play: the complete set of 18 numbers on a ticket, six numbers on each of three lines (plays), gives players additional chances to win by combining winning numbers from all three lines, a total of 11 ways to win.

**NY SPONSORS WINTER GAMES.** The 2004 Empire State Winter Games, the largest state-run amateur athletic competition in the nation, is being sponsored by the New York Lottery. The games will feature 11 different competitive sporting events, including alpine skiing, biathlon, bobsled, skeleton, luge, cross-country skiing, figure skating, women's ice hockey, snowshoe racing, ski jumping, and ski orienteering. The New York Lottery sponsors the Games in partnership with the New York State Office of Parks, Recreation and Historic Preservation and Olympic Regional Development Authority.

**MI REAPING REWARDS OF KENO, PULL-TABS.** In little more than three months, the Michigan Lottery's additions of Club Keno and Pull-Tabs have netted the state nearly \$55 million - \$5 million more than initial

estimates. The games have grown to approximately 8% of Lottery sales.

**MORE DRAWS FOR CAROLINA 5.** Beginning March 1, 2004, the South Carolina Education Lottery will launch its third Carolina 5 drawing to South Carolinians on Mondays, Wednesdays, and Fridays. Carolina 5 is also moving to a new draw time of 6:59p.m., along with the Pick3 and Pick4 drawing. To help celebrate the launch, the SCEL will host several launch day events at retail locations statewide.

**WV USES LOCAL TALENT FOR COMMERCIAL.** With its most recent commercial effort combining the best of bluegrass with a state landmark, the West Virginia Lottery hopes to generate the widespread acclaim experienced last year with the introduction of "West Virginia Morning." Produced by Image Associates of Charleston, Musgrave said the new lottery commercial was shot at Stonewall Jackson State Park in Lewis County. "Behind the scenes of our latest endeavor are faces not all viewers would recognize, but their music is legendary," said Musgrave. Musgrave said "West Virginia Morning" composer Jan Haddox wrote the new music. A native of Point Pleasant, he was backed by some of the best bluegrass musicians in the country - all of them West Virginians.

**RECORD YEAR FOR SVENSKA SPEL.** Last year was another success year for Svenska Spel. The proceeds for the total group including Casino Cosmopol were almost 20 billion SEK (US\$2.7 billion), an increase of 8%. The casinos netted 720 MSEK (US\$100 million) and for the first time showed a profit. The profit was 4.7 billion SEK (US\$650 million), a record increase of 11%. The beneficiaries of Svenska Spel are Swedish sports, youth activities in non-profit organizations and the Treasury.

**RECORD YEAR FOR IRELAND.** An Post, the Irish National Lottery, reported that total sales for 2003 were up 4.9% to €559 million, with beneficiary money up 8% to a record €186.7 million. Operating costs were the lowest ever at 14% of sales.

**JAMAICAN LICENSEE SEEKS FUNDING.** Telefun International, a third firm to have secured a license to operate lotteries in Jamaica, is trying to raise US\$89 million for a re-launch of its games. Telefun left the market in December 2002, only three months after the launch of its first game, Tello, an audiotext phone game. Tello promised instant cash prizes of \$10,000 and a daily main prize of \$1 million for winners.

#### COMPANY ANNOUNCEMENTS

**ARGENTINA INSTALLATION MAKES 150 FOR IGT.** An historic horse track in Buenos Aires has become the first venue in South America to install IGT's EZ Pay™ ticket system, the 150th system installed worldwide. The Hipodromo Argentino de Palermo went live last week with 368 of a total of 750 slot machines linked to an EZ Pay system; the balance of the machines will be added in the near future. The Argentina installation brings the worldwide number of gaming machines on an EZ Pay Ticket System to 114,000.

Submit material for next week's Morning Report by  
Wednesday of this week to [Toddpg2@aol.com](mailto:Toddpg2@aol.com)