

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 24, 2003

**MARSH OUT IN MAINE.** Maine Lottery Director Eben Marsh resigned January 21 2003. Pam Coutts, who has been serving as Deputy Director for the Bureau of Alcoholic Beverages and Lottery Operations, was appointed Acting Director.

**MO AD BUDGET CUT DRASTICALLY.** A Missouri House committee slashed the lottery's ad budget by 80% (\$5 million) for FY04. To make matters worse, the remaining 20% is still in danger of being cut. MO Lottery commissioners reacted by slashing their estimate of sales for the 2004 fiscal year by \$100 million, which would cut proceeds for education by \$27.5 million.

**ND TRIES TO SPEED-UP PROCESS.** The North Dakota Senate Appropriations Committee made a change to a bill, helping to speed up the process of implementing a state lottery. Once passed, House Bill 1243 will allow the attorney general's office to immediately enter North Dakota into a multi-state lottery. The bill establishes a Lottery Commission and a Director to be appointed by the attorney general. The Legislature must still set up rules and guidelines for its part in the lottery; apply for entrance into a multi-state lottery; and send out an RFP for online terminals.

**MD COMMITTEE APPROVES VLTs.** The Maryland Senate Budget and Taxation Committee rewrote Gov. Robert Ehrlich's VLT bill, reducing the amount of money going to track owners from 43.6 percent down to 39 percent. The bill was then approved 11-2, and if it passes it is expected to generate \$700 million a year for schools when all 10,500 machines are in operation.

**NH LAUNCHES BUMP, RUN & WIN.** The New Hampshire Lottery launched a Bump, Run & Win licensed instant lottery game featuring logos and other imagery associated with famous stock car drivers. The game features 1.2 million tickets. Each ticket costs \$2.00 and gives lottery players the opportunity to win cash prizes of up to \$15,000. Additionally, the game

features over 400 Player's Choice Prize Packs and three Player's Choice Racing Trips.

**NH TURNS 39.** On March 12, the New Hampshire Lottery celebrated its 39th anniversary, making it the oldest existing Lottery in the U.S. To date it has raised nearly \$790 million for public schools, and has paid more than \$1.5 billion in prize money.

**RECORD WEEK FOR NY.** Sales of New York Lottery Instant games for the week ending March 15 topped \$50 million, setting a record for estimated sales based on validations at retail. The news comes just days after the Lottery surpassed its 2002-2003 sales goal of \$5 billion for the fiscal year ending March 31, 2003.

**KLC REACHES \$7 BILLION.** The Kentucky Lottery has achieved another major milestone, surpassing \$7 billion in sales since its start up in April of 1989. The KLC has averaged approximately \$500 million per year in sales. Fifty-nine percent of each dollar played has gone back to players in prizes, 27% has gone to the state, operating and marketing expenses account for 8%, and lottery retailers have earned about 6% in commissions and incentives. Since inception the Lottery has sent \$1.8 billion to the Commonwealth, and will surpass the \$2 billion mark within the next twelve months.

**MO VIDEO RECEIVES AWARD.** A youth addiction video, produced by the Missouri Lottery, recently received the Award of Excellence from The Communicator Awards international competition. The video, "Beat Addiction – Choose the Right Path," was produced for Missouri's students in grades 6-10. The video and facilitator's guide are free to all Missouri schools. The Award of Excellence is the highest award presented by The Communicator Awards competition.

**QUEBEC PILOTS NEW TELEVISED GAME.** At the end of its pilot broadcast of Chasse aux Trésors, Loto-Québec awarded a total of \$44,450 to five non-profit organizations selected by journalists. The journalists were competing for their respective causes, as well as for the sheer fun of it, and the \$44,450 awarded represents 10% of their "pretend" winnings in this simulated version of the game. There are 10 Chasse aux Trésors broadcasts to come. Each 30-minute program will feature five contestants competing for the \$100,000 grand prize.

**OHIO CAPS 317.** The Ohio Lottery put a limit on the number of people who could bet the combination 3-1-7 in the Saint Patrick's Day draw of the Pick Three game. The move, which cut off 3-1-7 after the potential payout reached \$7.5 million, was engineered to prevent the Lottery from sustaining an overwhelming loss.

**SASKATCHEWAN TO PRINT PROBLEM GAMBLING COASTERS.** The Saskatchewan Property Management Corp. is planning on printing responsible gaming messages on cardboard drink coasters, to be

distributed throughout the Saskatchewan Responsible Gambling Association's territory (mostly bars and restaurants with VLTs). The coasters are reported to ask, "Gambling. Is it affecting your priorities?" The coasters will also provide the number for Saskatchewan's problem-gambling help line.

**OK LOTTERY CLEARS ANOTHER HURDLE.** The Oklahoma Senate Finance Committee approved legislation calling the matter of a state lottery to a public vote. House Bill 1278 now goes to the Senate floor.

**FL VLT BILL DIES.** A Florida bill to allow VLTs at tracks was killed by a House committee. The bill was seeking to gain \$1 billion in revenue for the state.

**A CITY LOTTERY?** Some Buffalo Common Council members want state permission to set up a city lottery to help Buffalo generate revenue for fiscal problems. A similar idea surfaced in 1992 after it was deemed that it had no chance of achieving state approval.

**ISRAEL LOTTERY SEEKS SHELTER.** The war on Iraq has led Israel's Mifal Hapayis to move operations into a protected shelter. Lottery drawings will not be broadcast live during the war, but results will continue to be posted on the Lottery's website.

**LOTTERY PURCHASES VIA PHONE IN CHINA.** Guangdong residents will be able to buy lottery tickets via phone this year, as the Guangdong Provincial Bureau of Civil Affairs is now upgrading its lottery ticket sales system to accommodate phone purchases.

**NZ CUTS MACHINES.** More than 4,000 gaming machines will be cut should New Zealand pass its Responsible Gambling Bill. The bill, expected to come into effect before July, cuts in half the maximum number any establishment can carry (down to nine). Only establishments that had 18 machines before October 18, 2001 will be able to continue with 18 machines.

**THAILAND LOOKS AT KENO FOR AIRPORTS.** Once the 12,000 online lottery terminals have been installed throughout the country, Thailand's Government Lottery Office plans to introduce Keno in Don Muang Airport's departure pavilion. A study showed that Keno was best suited to foreign tourists passing through airports, as the game takes only five minutes between each draw.

## COMPANY ANNOUNCEMENTS

**GTECH TO BUY INTERLOTT.** Interlott Technologies has agreed to be acquired by GTECH for \$85 million, including debt. Interlott's FY02 revenues were \$52 million, with earnings of \$3.1 million and employs 230 people. GTECH will pay \$9 in cash or stock or a combination of both for all of Interlott's 6.5 million shares and options and will assume Interlott's \$21 million in debt. Interlott will become a wholly owned subsidiary of GTECH and retain the Interlott name. The deal is subject to regulatory approvals and a vote by

Interlott shareholders.

**FRANCE EXTENDS POLLARD.** Pollard Banknote is pleased to continue service as primary instant ticket supplier for La Française des Jeux under the terms of a new contract that began in January. The three-year contract, which includes options for three additional one-year renewals at the Lottery's discretion, calls for production of at least 600 million tickets annually.

**CO, NM EXTEND OGT.** Oberthur Gaming received a one-year contract extension from the Colorado Lottery, extending its contract until 2005. Oberthur and the Colorado Lottery first entered into a four-year contract in 2000. Oberthur also announced that the New Mexico Lottery Authority board of directors approved the NMLA entering into an agreement with Oberthur that will ensure the continuation of their partnership. The new agreement for instant ticket printing services should be finalized by the end of March.

## LOTTERY PEOPLE

SD Gov. Mike Rounds has named four new members to the South Dakota Lottery Commission: **Susan Brugger, Tom Leckey, Lance Russell and Duane Schmutz.** Brugger and Leckey's terms run until 2005, while Russell and Schmutz are in until 2006.

## LOTTERY JOBS

**EXECUTIVE DIRECTOR OF SALES.** \$92,000 - \$99,000/yr. plus State of CA benefits. Final Filing Date - April 21, 2003. The California Lottery is seeking a highly qualified individual for the position of Director of Sales. The position is responsible for management and implementation of an effective diversified wholesale sales operation on a statewide basis, successful integration of the activities of a highly diverse program to achieve Lottery goals. In addition, this individual must have the ability to plan, organize, and direct the work of multidisciplinary professional and administrative staff, demonstrate successful project management, implementation skills, and follow-through skills. Additionally, this individual must have the knowledge of the principles, practices and trends of public administration, organization, effective resource utilization and management, and the organization and functions of State Government, including the organization and practices of the Legislature and Executive Branch. The successful candidate will possess strong leadership, integrity, good judgment, effective negotiation, and diplomacy. The ability to travel extensively and make effective presentations to a wide variety of audiences is necessary. For specific information, contact California Lottery at (916) 324-0974. State of CA application required. California Lottery, Attn: Selection Services Unit, 600 N 10th Street, Sacramento, 95814

**Submit material for next week's Morning Report by Wednesday of this week to [Toddpgr2@aol.com](mailto:Toddpgr2@aol.com)**



# **15 Lottery Organizations Already Plan to Attend the 2003 ILAC Congress!**

**Aruba Lottery: Aruba**

**Sorteos Extraordinarios Asociados: Colombia**

**National Lottery: Ecuador**

**Lotería del Niño: Guatemala**

**Lotería de Santa Lucía: Guatemala**

**National Lottery: Mexico**

**National Lottery: Nicaragua**

**Tektron: Peru**

**Loto-Catalunya: Spain**

**ONCE: Spain**

**National Lottery Board: St. Vincent and the Grenadines**

**Georgia Lottery Corporation: USA**

**Iowa Lottery: USA**

**Traditional Lottery of Puerto Rico: USA**

**National Lottery Control Board: Trinidad and Tobago**

**For more information, please contact PGRI at 425-803-2900, fax 425-803-6830  
e-mail [publicgam@aol.com](mailto:publicgam@aol.com) or your Public Gaming representative.**

**David Mello**

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## ILAC CONGRESS 2003

Co-Hosted by Public Gaming Research Institute and The National Lottery of Mexico  
April 27-30, 2003 • Hilton Cancun Beach and Golf Resort • Cancun, Mexico

### —PROGRAM OUTLINE AND SCHEDULE—

#### April 26, Saturday

Noon-5pm Exhibitor Setup  
4pm-6pm Registration open

#### April 27, Sunday

9am-8pm Registration open  
9am-3pm Exhibitor set up  
3pm-5pm Opening Session

#### **Welcome to ILAC Congress 2003**

Speaker: Duane Burke, President &CEO, PGRI

#### **Welcome to Mexico And Update on the Mexican National Lottery – Where It Is and Where It Is Going**

Speaker: Laura Valdes, Director General, National Lottery of Mexico

#### **TV Advertising Competition**

All participating lotteries are invited to submit Lottery TV ads for showing at this time.

- Each lottery will receive an award for showing its TV ads
- In addition, three lotteries will receive “**Best of Show**” TV ad awards

5pm-8pm **Welcome to Mexico Reception in Exhibit Hall**

*Sponsorship Available*

#### April 28, Monday

9am-7pm Registration open  
10am-Noon General Session II

#### **Lotto for Latin America – Higher Revenues and Growth**

The starting point for major growth and expansion to multi-state games

#### **Multi-State Games for Latin America and the Caribbean**

National and regional multi-state games, the principles and benefits

#### **Cooperative Games Among Countries**

The next big opportunity for growth of lotto type games

**Scratch-Off and Licensed Games – Building Revenues with New Excitement**  
Instant games are the biggest revenue producers for many lotteries and there is still lots of room for further growth

Noon-3pm **Welcome to New Lottery Executives Lunch in Exhibit Hall**  
Sponsor: **Scientific Games Latino America**

3pm-5pm General Session III  
**Traditional Games – the Latest Developments and Strategies for Growth**  
The base game for most Latin lotteries will always be important and can improve  
**The Impact of New Games on Existing Games**  
The cannibalization of revenues among games is reviewed and strategies for minimizing  
**Strategies for Accelerating Adoption of New Games**  
The reduced costs of lottery related technologies make expansion to new games more possible than ever  
**Video Lottery Games – Best Games for Biggest Revenues**  
Video lottery has increased revenues by a factor of four or more in several U.S. states – what could video lottery do for your lottery?

5pm-8pm **Salute to Great Ideas Reception in Exhibit Hall**  
*Sponsorship Available*

**April 29, Tuesday**

9am-1pm Registration open

9am-11am General Session IV

**Great Ideas Presentations**

Presentations by Lottery and Supplier Representatives Of Ideas That Can Increase Sales and Improve Net Revenues

**Advertising and Promotion – The Magic Formula for Increased Sales**

Proven successful examples of lottery advertising and promotions

**Lottery Game Shows – The Glitter and Glamour of the Lottery**

Analyzing the real value of lottery games shows

11am-1pm **New Technology for Growth Brunch in Exhibit Hall**  
Sponsor: **GTECH**

Afternoon Open for private meetings

**April 30, Wednesday**

9am-11am Final Session and Awards

**Review of Most Significant Development And Congress Follow-Up to Promote Growth**

What can we do to help your lottery move ahead

**PGRI Awards**

- Co-Host Award
- Advertising Awards
- Great Ideas Awards
- Sponsor Awards
- Exhibitor Awards

11am ILAC Congress 2003 Adjourned



# VAMOS!

## BE AN OFFICIAL ILAC SPONSOR!

### What a Sponsorship does for you:

- COMMUNICATES your solid reputation in the industry.
- DEMONSTRATES your concern for your customers.
- INCREASES your company name recognition.
- REINFORCES your product awareness.
- PROMOTES good customer relations.
- PROJECTS your successful image.

### What a Sponsorship entitles you to:

- Participation on Program as a Panelist or Speaker
- On-site signage at your event featuring company name and logo
  - Advance information on preregistered attendees
- Company logo, greeting and recognition in official Show Program
  - Company acknowledgment in pre-show promotions to lotteries
- Follow-up acknowledgment in *Public Gaming International Magazine*

### ILAC Sponsorships:

- *Welcome to Mexico Reception* on Sunday: \$6,000
- *Salute to GREAT IDEAS Reception* on Monday: \$5,000
- *Welcome to New Lottery Executives Lunch* on Monday: \$4,000  
*Sponsored by Scientific Games Latino America*
- *New Technology for Growth Brunch* on Tuesday: \$4,000  
*Sponsored by GTECH*

For more information, please call PGRI at 425-803-2900, or visit us at [www.publicgaming.org](http://www.publicgaming.org).

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# **HOTEL ALERT!**

**To reserve ILAC hotel rooms at the Hilton Cancun Beach and Golf Resort at the discounted rate of \$140 (government)/\$160 (non-government), please book your room directly with the Hilton by **Tuesday, March 25**. To book your room, please call the Hilton at +52 (9988) 81 80 00 or fax the Hotel Form to +52 (9988) 81 80 80. Be sure to mention ILAC when calling.**

# -Congreso ILAC 2003-

## Formulario de Inscripción/Registration Form

27-30 abril, 2003 • Hilton Cancun Beach and Golf Resort • Cancun, Mexico

### Instrucciones para la inscripción y el pago:

Llenar un formulario de inscripción por cada participante. Para inscribirse en el Congreso sírvase enviar su formulario de inscripción por **fax al +1 425-803-6830**. El pago puede efectuarse con tarjeta de crédito o con un cheque en dólares de Estados Unidos girado en un banco estadounidense o como orden de pago internacional pagadero a Public Gaming Research Institute. Envíe su cheque por correo a 4020 Lake Washington Blvd. NE, Suite 100, Kirkland, WA 98033-7862, USA. No habrá reembolsos después del **25 de marzo** del 2003.

- Empleados de Loterías de Gobierno: **No Pagan**
- Empleados de Loterías en Concesión: \$795
- Empleados de Empresas Proveedoras: \$795
- Empleados Adicionales de Stand: \$695
- Esposa(o): **No Pagan**

### Información para los proveedores:

Para obtener información más detallada sobre el Congreso ILAC, por favor contacte a Raquel Orbezo, Coordinadora de la Conferencia al **425-821-8361** (Tel/Fax), **RaquelPGR2@aol.com**.

### Reservación del hotel:

La sede del Congreso es el Hilton Cancun Beach & Golf Resort. Sírvase contactarse directamente con el hotel para reservar su habitación. **Tel: +52 (9988) 81 80 00 ó Fax +52 (9988) 81 80 80**. Tarifa por habitación: **US \$140 (gobierno) ó US \$160 (proveedores)**. Sírvase mencionar que Ud. concurrirá al Congreso de ILAC, para recibir estas tarifas especiales. El hotel tiene un número limitado de habitaciones reservadas para este Congreso hasta el **25 de marzo**.

### Registration Instructions and Payment:

Use a separate registration form for each registrant. Payment must be in U.S. funds either as a check drawn on a U.S. bank, an international money order or by credit card (see below). Make checks payable to Public Gaming Research Institute and mail to 4020 Lake Washington Blvd. NE, Suite 100, Kirkland, WA 98033-7862, USA. **No refunds after March 25, 2003**. To register for the Congress, please complete your registration form and **fax to 425-803-6830**.

- Employee of Government Lottery: No Charge
- Employee of Privately Operated Lottery: \$795
- Vendor Employee: \$795
- Exhibitor Employee: \$695
- Spouse: No charge

### Exhibit Information:

For ILAC 2003 exhibit information, please contact Public Gaming Research Institute at **425-803-2900**.

### Hotel Reservations:

The Congress hotel is the Hilton Cancun Beach & Golf Resort. To reserve your room, please call the hotel at **Tel: +52 (9988) 81 80 00 or Fax +52 (9988) 81 80 80**. Room rates: **US \$140 (government) or US \$160 (non-government)**. Space is limited. Reserve your room before the March 25 deadline to receive these ILAC Congress rates. For hospitality suites, contact PGRI at **425-803-2900**.

**Envíe su formulario de inscripción al 425-803-6830 / Fax your registration form to 425-803-6830**

- Empleados de Loterías de Gobierno / Employee of Government Lottery: **No Pagan / No Charge**
- Empleados de Loterías en Concesión / Employee of Privately Operated Lottery: \$795
- No Lotería / Vendor Employee: \$795
- Exhibidor / Exhibitor Employee: \$695

Nombre/Name: \_\_\_\_\_ Apellido Paterno/Last Name: \_\_\_\_\_

Cargo/Title: \_\_\_\_\_

Organización/Organization: \_\_\_\_\_

Dirección/Address: \_\_\_\_\_

Ciudad/City: \_\_\_\_\_ Estado/State: \_\_\_\_\_

Código Postal/Postal/Zip Code: \_\_\_\_\_ País/Country: \_\_\_\_\_

Teléfono/Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Email: \_\_\_\_\_

Nombre para su distintivo/Badge Name: \_\_\_\_\_

Nombre del Cónyuge/Spouse's Name: \_\_\_\_\_

### Método de pago/Method of Payment

- Con cheque (adjunto)/by check (enclosed)  Con tarjeta de crédito (véase abajo)/by credit card (below)
- Visa  Mastercard  American Express

Tarjeta de crédito #/Credit Card #: \_\_\_\_\_

Vence/Exp. date: \_\_\_\_\_ / \_\_\_\_\_ Firma/Signature: \_\_\_\_\_

Nombre y Apellido (letra de imprenta)/Print Name: \_\_\_\_\_

**Public Gaming Research Institute, Inc. • 4020 Lake Washington Blvd. NE • Suite 100 • Kirkland, WA 98033  
Tel.: 425-803-2900 • Fax: 425-803-6830 • www.PublicGaming.org • E-mail publicgam@aol.com**



# SEND THIS FORM DIRECTLY TO THE HOTEL

## HOTEL RESERVATION FORM ILAC CONGRESS / April 27-30, 2003

Group code: **ILAC**

Confirmation # \_\_\_\_\_

Please identify yourself as part of The ILAC Congress . By March 27th 2003 the hotel will release the unsold portion of rooms for general sale; however, the Hilton will still receive reservations after this date subject to availability.

Please return directly to:  
Reservations Department  
**reservations@hiltoncancun.com**  
Fax 011 52 (998) 881 80 80  
Entire World Toll Free: 1 888 594 2483  
From Mexico: 01800 849 1047  
www.hilton.com

Last Name / Name \_\_\_\_\_

Companion \_\_\_\_\_

Company Name \_\_\_\_\_

Address \_\_\_\_\_

Thank you for requesting reservations at the Hilton Cancun We look forward to extending to you our hospitality and service.

To ensure you a prompt reservation and check in, please complete the registration form and note the following:

A deposit of two nights stay is required to hold your reservation. Such deposit shall serve to confirm the arrival date indicated on the form and, upon check in, shall be applied to the first night of the reserved stay. Should the guest fail to check in on the arrival date indicated on this form, there will be a charge of two (2) nights stay as a "NO SHOW" penalty.

Early Departures will be charged in full to the individual's credit card for the number of rooms left unoccupied.

The hotel will accept cancellations without penalty (30) days prior to group's arrival, after this date a penalty of (2) nights stay will be applied to the credit card.

Additional occupancy service charges:  
Bellboy: \$5.00 In/Out  
Room attendant: \$ 4.00 Per night

Check In time is 3:00 p.m.  
Check Out time is 12:00 noon

Wire Transfers:  
AMERICAN NATIONAL BANK  
8990 West Dodge Road  
Omaha NE 68114  
Account Number 5094844  
ABA: # 104000  
NHC HOTEL S.A. DE C.V.  
Ph. 402 457 1030 Fx. 402 457 1075

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Tel. (office) \_\_\_\_\_ Tel. (home) \_\_\_\_\_

Fax \_\_\_\_\_ E-mail: \_\_\_\_\_

### Accommodations Requested

*Requests are subject to room type availability at time of booking*

One Bed     Two Beds     Smoking     No smoking

The rates listed below are on an European Plan (no meal included), per room, per night, subject to 10% Federal Tax and 2% city accommodation Tax. Rates quoted on USA dollars.

<input type="checkbox"/> Standard room	\$160.00	<input type="checkbox"/> Extra person	\$55.00
<input type="checkbox"/> Beach Club room	\$207.00	<i>(Over 18 years old. Maximum occupancy per room is 3 persons)</i>	
<input type="checkbox"/> Junior Suite	\$385.00	<input type="checkbox"/> Government Functionary	US\$140.00
		<i>(Government I.D. Required)</i>	

*Please note that the above conference rates are extended 3 days prior and 3 days after the program dates (April 23 - May 2nd, 2003) based on availability*

Arrival Date: \_\_\_\_\_ Departure Date \_\_\_\_\_

Special Requests: \_\_\_\_\_  
*(e.g. Cribs, handicap ,low floor)*

Reservations must be accompanied by a deposit or an accepted credit card number and signature.

Reservation guaranteed by:

AMEX     Master Card     VISA     Wire Transfer

I authorize Hilton Cancun to charge my credit card one night stay plus applicable taxes at the time of reservation and by March 12th, 2003 one additional night.

Credit card number \_\_\_\_\_ Exp. Date \_\_\_\_\_

Signature \_\_\_\_\_

PLEASE ATTACH CLEAR COPY OF THE CREDIT CARD BOTH SIDES OR A COPY OF THE WIRE TRANSFER.



# Make Plans to Participate in PGRI's 2003 Events!



## ILAC Congress 2003

*Co-hosted by the National Lottery of Mexico*

April 27-30, 2003

*Hilton Cancun Beach and Golf Resort in Cancun, Mexico*



## 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](mailto:publicgam@aol.com), or visit us on the Web at [www.publicgaming.org](http://www.publicgaming.org)