

To: Lottery, Video Gaming & Racino Executives
Interested in Growth, Expansion and Success
Public Gaming Research Institute Inc.'s

International Morning Report

Your weekly supplement to
Public GAMING International Magazine
May 17, 2004

KS LAUNCHES WORLD'S FIRST INTERACTIVE INTERNET LOTTERY GAME. Kansas Lottery players can now play eScratch, the world's first interactive Internet lottery game. This is a unique game, and players can purchase eScratch game tickets at any Kansas Lottery retail location. The eScratch game launched on May 3, 2004 and tickets are on sale at Lottery retail outlets statewide. To play eScratch, players select the denomination that they want to play at the time of purchase. They choose 10 cent, 50 cent, or \$1 per play. Players choose the amount they want to spend (\$1 through \$50). For example, with \$5 players can choose fifty 10 cent plays, ten 50 cent plays, or five \$1 plays. Once players have purchased their ticket, they access the Internet, and go to Web site www.escratchks.com, which is also printed on the ticket. Tickets are valid for 365 days from the date of ticket purchase. On the Web site in the designated space, the player enters the ticket number to begin the interactive play experience. A variety of play styles are available to choose from. Players can choose from scratch games, spinning reel, traditional lottery, card games and others. When players are finished with the game, they may return to any lottery retailer to claim prizes up to \$599, or purchase more tickets. If the prize on a winning ticket is over \$599, a claim form is required and the prize must be claimed at a Lottery office.

LA CASH QUEST CAMPAIGN PAYS OFF. One year after the Louisiana Lottery Corporation expanded its niche on-line game, Cash Quest, annual sales for the game increased about 50 percent. On May 12, 2003, the Lottery increased Cash Quest drawings from two days a week to five, Tuesday through Saturday. In addition, the Lottery launched a statewide mass media campaign for Cash Quest featuring comedienne Phyllis Diller and Jimmie "J.J." Walker of Good Times fame. The premise behind the campaign was that the game would increase in popularity if people better understood how to play it. It appears they were right.

PA TO VERIFY AGE. Pennsylvania Secretary of Revenue Gregory C. Fajt announced that more than 6,700 Lottery retailers will be able to electronically check the ages of customers through online Lottery terminals using a new age verification system. Age verification software will be downloaded, free of cost, to all Lottery terminals across the Commonwealth. The new terminal capability will not only allow retailers to check the ages of Lottery customers, but could also be helpful in verifying the ages of those who want to purchase other age-restricted products, such



[Please click here for more information.](#)

as cigarettes and alcohol. When a retailer swipes a PA driver's license or ID card through the magnetic stripe reader on the Lottery terminal, the card owner's age in years and days will appear on the terminal screen. Retailers can then print the screen if they want to maintain a record of an age verification procedure. Scientific Games developed the software that enables Lottery terminals to read the magnetic stripes on PA driver's licenses and ID cards. The Department of Transportation assisted in developing the technology by providing information about PA licenses and ID cards.

WCLC HAS TO PAY ON PHOTOCOPIED TICKET.
The Western Canada Lottery Corporation is working on a

29 Lotteries from 11 countries confirmed Intern'l Lottery Expo & ILAC Congress 2004

June 28-July 2

Loews Miami Beach Hotel

Co-hosted by

Public Gaming Research & the Florida Lottery

For Increasing Sales and Net Revenues
Case Studies for Increasing Revenues from
on-line and scratch-off games
Video Gaming – racinos, bars and more
Video Pull-Tab Machines
“Display and Play” Monitor Games
Wireless Devices and the Internet
Exciting Products for POS
“Circles of Learning” with key products
The Best of Lottery TV Ads
Qe Awards – Quality & Excellence Awards for
Service and Achievement

TO REGISTER for the CONFERENCE

Please call 1-800-493-0527 or tel. 425-985-3159

FOR HOTEL RESERVATIONS

Please call Loews Hotel at Tel. 305-604-1601

new definition of a winning ticket. In early May, a judge awarded a Calgary woman a \$100,000 jackpot from a ticket she had lost, on the basis that her photocopy of the ticket offered enough proof of her claim. The judge felt the tickets contained no clear rules about what constitutes a winning ticket, and that stronger wording was required to render a

copy of the ticket invalid. The woman claimed that someone stole her wallet while the winning ticket was in it. No one else came forward to claim the jackpot.

NEW NC LOTTERY BILL. (AP) The North Carolina Legislature's newest lottery bill would give counties the option to participate in a state-run numbers game in which they would receive a portion of the proceeds for school construction. The measure filed by Rep. Bill Owens, D-Pasquotank, would allow county commissioners the authority to call an election on whether to operate the lottery in that county. A state-run lottery could be started once voters in 25 counties agree to participate in one. One-quarter of all revenues generated in a lottery would be distributed to participating counties for building schools, the bill said. The remainder would be used by the state to pay for the More at Four pre-kindergarten program, class-size reduction and for tutoring.

NZLC ADDS KENO DRAW. New Zealand Keno players now have two chances to win each day. The game increased to two draws daily on 10 May 2004.

***NEW* RACINO NEWS**

EXPANSION BOOSTS WV TRACK'S REVENUE. West Virginia's Wheeling Island Racetrack & Gaming Center reported a first-quarter profit of \$4.07 million, or nearly \$1 million more than the same period last year. Gambling revenues are up almost 33 percent to \$23.7 million for the period ending March 28. That compares to net income of \$3.05 million on revenues of \$17.9 million for the first quarter of 2003. The growth is attributed to a \$69 million expansion that opened last year and 570 additional machines. There's still room for growth at Wheeling, as the Lottery will allow it to carry 300 more machines.

IL SENATORS PROCEED WITH EXPANSION TALKS. The Illinois Senate is reportedly moving ahead with hearings on a gambling proposal that would allow more gaming machines at existing casinos, and would put casinos in Chicago, Waukegan, Rockford and the south suburbs. The Senate is moving ahead despite the Governor Rod Blagojevich's threat to veto the proposal. If passed the proposal would generate \$1.4 billion from the sale of the casino licenses alone.

MD HOUSE PROPOSES SUMMER SESSION FOR SLOTS. Democratic leaders in the Maryland House of Delegates are in favor of a summer General Assembly session to authorize a referendum legalizing slot machines in the state, but Gov. Robert L. Ehrlich is currently against the plan. The Governor is not interested in discussing referendum at the moment. Instead the Gov. is looking to begin discussing location, operation and management of a slots program. Both sides are continuing the discussion.

COMPANY ANNOUNCEMENTS

GM EXTENDS MDI. Lotteries in North America will now be able to choose from a wider variety of popular GM vehicles to build exciting online and instant games and promotions, thanks to a new 15-month contract extension from General Motors Corporation, MDI Entertainment, a wholly-owned subsidiary of Scientific Games, announced. The new contract, which runs

through December 31, 2006: extends MDI's original Corvette license and includes the Corvette convertible with LS1 or LS2 engine and automatic transmission (models years 2004 to 2006, as new models become available); adds the Pontiac GTO with 5.7L LSI V8 engine and automatic transmission; and includes three popular GM trucks (model years 2004 to 2006) – the Chevrolet Avalanche and the Chevrolet Silverado, each featuring a 5.3L V-8 engine and automatic transmission, and the all-new Chevrolet Colorado with a 2.8L inline I-4 engine and automatic transmission. The GM brands now available through MDI license are designed to appeal to a demographically diverse mix of consumers.

GREEK INTRALOT SOLE BID FOR BULGARIA. Greek Intralot, part of Intracom group, has filed the sole indicative bid for the contract to manage Bulgaria's State Lottery. Negotiations for the ten year contract will start this week.

HASBRO SIGNS WITH SCI-GAMES. Scientific Games announced that the Hasbro Properties Group has awarded it the licensing rights to eight classic Hasbro board games for instant scratch-off and pull-tab lottery games marketed in the United States and Canada. The new agreement includes MONOPOLY, the world's most powerful name in board games and the best-selling lottery licensed property of all-time. Other properties in the agreement with the Hasbro Properties Group, the intellectual property development arm of Hasbro, Inc. (NYSE: HAS), include SCRABBLE, YAHTZEE, THE GAME OF LIFE, BATTLESHIP, CLUE, PAYDAY and TWISTER.

SCIGAMES TO GET PUERTO RICO CONTRACT, GTECH was notified by Loteria Electronica de Puerto Rico of its intent to negotiate a contract to provide equipment and services for a new online lottery system, terminals, and associated telecommunications network with another vendor. Another press release indicated that the new vendor is Scientific Games. GTECH has provided online lottery products and services to Loteria Electronica since 1990.

WEB PURCHASING MADE EASY. Valista and Gemplus have launched Gem-eCash, a pre-paid card for making small purchases over the Internet. Gem-eCash cards will enable Web users to make small secure payments by scratching off a panel on a card to reveal a unique code that corresponds to their available pre-paid credit.

LOTTERY JOBS

VP INFO SYSTEMS. The Tennessee Lottery Corporation currently has an opening for VP of Information Systems. For a detailed job description, please check the employment section of our website www.tnlottery.com. Interested parties should contact and send resumes to: Rebecca Sawyer, Human Resources Coordinator, Tennessee Education Lottery Corporation * Plaza Tower, MetroCenter, Suite 200 * Nashville, Tennessee 37228 * Phone: (615) 253-1118 * Fax: (615) 253-6886 * E-mail address: rebecca.sawyer@tnlottery.com

Submit material for next week's Morning Report by Wednesday of this week to Toddpgr2@aol.com

**INTERNATIONAL
LOTTERY EXPO
& ILAC CONGRESS 2004**
Loews Miami Beach Resort
June 28-July 2

BULLETIN

May 14, 2004

***29 LOTTERIES FROM 11
COUNTRIES***

The following 29 lottery jurisdictions from 11 countries are confirmed for the EXPO/ILAC Congress. This list is to help you with your planning for participation in the EXPO/ILAC Conference. Many more lotteries are considering or planning to participate but have not yet confirmed.

We are expecting 40 lotteries from 15 countries this year and will send you additional confirmations periodically.

FLORIDA
Florida Lottery
MICHAEL FRICK,
Deputy Secretary

ILLINOIS
Illinois Lottery
CAROLYN ADAMS
Superintendent

IOWA
Iowa Lottery Authority
DR. EDWARD STANEK
President & CEO

KENTUCKY
Kentucky Lottery Corporation
ARCH GLEASON,
President & CEO

MISSOURI
Missouri Lottery
JIM SCROGGINS
Executive Director

MUSL
Multi-State Lottery
CHUCK STRUTT
Executive Director

NEW YORK
New York Lottery
NANCY PALUMBO
Director

PENNSYLVANIA
Pennsylvania Lottery
EDWARD MAHLMAN
Executive Director

RHODE ISLAND
Rhode Island Lottery
GERALD AUBIN
Executive Director

SOUTH CAROLINA
South Carolina Education Lottery
ERNIE PASSAILAIGUE
Executive Director

TENNESSEE
Tennessee Lottery Corporation
REBECCA PAUL
President & CEO

VIRGINIA
Virginia Lottery
PENNY KYLE
Executive Director

CANADA
Ontario Lottery Corporation

COLOMBIA
Loteria de Bogota
DR. FABIO VILLA
General Manager

Loteria de Boyaca
DR. JULIO CESAR SANCHEZ
General Manager

Loteria del Quindio
DR. JULIO CESAR LOPEZ
General Manager

Loteria del Cauca
LORENA MARTINEZ
Marketing Manager

Loteria del Risaralda
DRA. MARGARITA GONZALEZ
General Manager

Sorteo Extraordinario
(NEW DIRECTOR)

Loteria del Tolima
DR. LUIS ESQUIVEL
General Manager

DOMINICAN REPUBLIC
Loteria Electronica Internacional
MANUEL ABREU
Games Director

ECUADOR
Loteria Nacional de Guayaquil
ING. JORGE MURILLO
Administrator

GUATEMALA
Loteria de Santa Lucia
LIC. MANUEL LOPEZ
General Manager

Loteria del Niño
ILAC de Guatemala - Operator
RANDEE KERNS
Director of Gaming Regulation

EL SALVADOR
Loteria Nacional de El Salvador
LIC. MAURICIO CHAVARRIA
President

MEXICO
Loteria de Occidente
LUIS DESENTIS
General Manager

NETHERLAND ANTILLES
Landsloterij

NICARAGUA
Loteria Nacional de Nicaragua
WILLIAM BAES
General Manager

PERU
Loteria La Grande
JOE SALPIETRA
President

HOTEL ALERT

The Loews Miami Beach Hotel
recommends that you make your hotel
reservations immediately to ensure that
you get into the hotel and that you have
a choice of rooms.

For room reservations, call 305-604-1601

Mention name of conference:
LOTTERY EXPO/ILAC Conference
Rates: Single or double, \$199 plus taxes

SCHEDULE

Sunday June 27

Exhibit Set-Up beginning at 6 PM

Monday June 28

Continue Exhibit Set-Up starts at 8 AM

Advance Planning Meeting for

Latin & Caribbean Lotteries 2PM

Conference Opening at 3 PM

Reception Sponsored by Scientific Games from

5 PM – 7:30 PM

Tuesday June 29

Coffee & Danish from 8:30AM to 9AM

General Session from 9 AM to Noon

Luncheon –from Noon to 2PM

Sponsorship available

General Session from 2PM to 5PM

Evening Open

Wednesday June 30

Coffee & Danish from 8:30AM to 9 AM

General Session from 9 AM to Noon

Luncheon –from Noon to 2 PM

Sponsorship available

Breakout Sessions from 2 PM to 5 PM

Evening Open

Thursday July 1

Coffee & Danish from 8:30AM to 9 AM

General Session from 9 AM to Noon

Private Meetings from Noon on

Evening Open

Friday July 2

Coffee & Danish from 8:30AM to 9AM

Closing session from 9 AM to 11 AM

PROGRAM NOTES

✓ **The objective** of this combined **International Lottery Expo & ILAC* Congress 2004** is to present reports on products, services and marketing strategies that can help lotteries increase revenues. Special emphasis will be on promoting new and under-utilized products that can help lotteries grow.

✓ **The program** will open with a new feature called “OTB”, or “outside-the-box”, an unstructured, free-flowing discussion among lottery industry leaders on solving lottery challenges and increasing revenues.

✓ **Case-study** type presentations by many of the participating lotteries will illustrate how sales are being increased with existing products. Plans these lotteries have for further revenue growth will also be discussed.

✓ **There will be** special emphasis on the use of video gaming **machines in racetracks/racinos and bars/taverns by the lotteries. Since video has the potential for increasing lottery net revenues by multiples of current revenues, it is the most important untapped lottery product available to most lotteries in the US and overseas.**

✓ **A product similar to the video lottery gaming machines is the electronic pull-tab machines such as are being installed by the Iowa Lottery. Lotteries that cannot get approval for video games but are permitted to have ticket-dispensing machines may be able to use these electronic pull-tab machines.**

✓ **Social gaming “display and play”, monitor devices for use in taverns and lounges will be explored for their revenue potential.**

***ILAC** is, *Institute of Lotteries of the Americas & Caribbean* – a PGRI association

- ✓ **Wireless devices and the Internet as distribution channels for lottery sales and marketing will be other important topics covered.**
- ✓ **Products that create excitement at the point-of-sale and hence result in added sales will be highlighted.**
- ✓ **Drawing equipment and software, with special emphasis on the electronic drawing systems, will be featured.**
- ✓ **Companies that are exhibiting at EXPO/ILAC will be encouraged to make presentations of up to 15 minutes in length to illustrate how their products can make the lotteries more successful.**
- ✓ **Exhibits are the open format, “Circles of Learning”, so that companies can bring key products to demonstrate without the need for elaborate booths and displays.**
- ✓ **The best of Lottery TV ads will be shown and awards presented to those lotteries that participate.**
- ✓ **Qe Awards – Quality & Excellence Awards for Special Achievement and for Outstanding Service will be presented to qualifying individuals from the participating lotteries and companies.**

TO REGISTER FOR EXPO/ILAC:

See www.publicgaming.org or call or fax your information to:

**Tel. 425-985-3159 or 800-493-0527 –
fax 206-232-2564 or 800-657-9340**

***FOR ROOM RESERVATIONS AT LOEWS
MIAMI BEACH HOTEL***

Call 301-604-1601 – Be sure to mention the name of the conference:

***“International Lottery
Expo & ILAC Congress 2004”***

Please make hotel reservations by May 20.

CONFERENCE REGISTRATION FORM

Public Gaming Research Institute's INTERNATIONAL LOTTERY EXPO & ILAC CONGRESS 2004

June 28-July 2, 2004

Loews Miami Beach Hotel, Miami Beach, Florida

Loews Hotel Tel. 305-604-1601 Fax 305-604-3999

PGRI Tel. 425-985-3159 or 800-493-0527; Fax 206-232-2564 or 800-657-9340

Name & Title: _____

First Name to use on badge: _____; Spouse, if attending _____

Organization: _____

Street Address: _____ City: _____

State/Province: _____ Zip Code _____ Country _____

Telephone: _____ Fax: _____

E-mail: _____ Web Site: _____

INDIVIDUAL REGISTRATION FEES (check one):

Non-government US\$895; Extra Exhibitor: US\$795; Government: No charge*

*Note: confirmation of government employment status required

PAYMENT:

All payments are due in advance. Space is confirmed when payment is received.

Refunds are available until May 27 but not after that date.

Credit card authorization for US\$ _____ Date of purchase _____

Please circle credit card type: American Express Visa Master Card

Card Number: _____ Expiration Date _____

Cardholder's name if different than above: _____

Signature: _____

Alternative payment methods available upon request

Call Susan Burke Jason at PGRI for assistance: 425-985-3157 or 800-493-0527

HOTEL RESERVATIONS

Please call directly to the Loews Miami Beach Hotel for room reservations.

Discounted room rates for Expo/ILAC attendees: US\$199 single or double

Telephone: 305-604-1601 or 877-563-9762 Fax: 305-535-5218

BE SURE TO MENTION NAME OF THE CONFERENCE

Loews Hotels Web Site: www.loewshotels.com

FAX COMPLETED FORM TO PGRI AT: Fax 206-232-2564 or 800-657-9340