

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

# INTERNATIONAL MORNING REPORT

Your weekly supplement to  
**Public GAMING International Magazine**  
May24, 2004

## **LOTTO 6/49, ATLANTIC 6/49 SET TO CHANGE.**

Canada's LOTTO 6/49 will be changing effective May 30 in response to changing consumer tastes and trends. The changes to LOTTO 6/49 were first announced last November. The 22-year-old national game will still be based on the popular match-six-of-49-numbers format, but it will now offer bigger jackpots more often, a new \$5 prize category and better overall odds of winning a prize. Each LOTTO 6/49 selection will be priced at \$2. About 90 per cent of LOTTO 6/49 jackpots this past year were either \$2 million or \$5 million. With the changes, Canadian lotteries anticipate that about half the jackpots will be in the \$10-million range or higher.

**ALC TO CHANGE ATLANTIC 6/49.** Beginning May 30, Atlantic Canadian lottery players will also have the option of playing today's regional Atlantic 6/49 on its own, allowing players to choose their own numbers. The game will continue to be offered alongside LOTTO 6/49 as it is now. The regional \$1-million jackpot game is being re-branded "Atlantic 49" now that it is taking on a life of its own. The product will continue to be \$1 per selection.

## **PA INSTALLS PLAYER ACTIVATED TERMINALS.**

Lottery players throughout Pennsylvania will soon be able to play the Pennsylvania Lottery's online and instant games using state-of-the-art, touch screen terminals, as the Lottery unveiled the first of the new self-service Player Activated Terminals (PATs) at a retailer in Harrisburg. Pennsylvania is the first state to offer self-service units that sell both instant and online games. The Lottery will install 1,000 of the machines statewide in coming months. The PATs are user-friendly, touch screen terminals that offer all Pennsylvania Lottery online games and 24 instant games. In addition to selling Lottery games, the PATs also validate winning online tickets and pay prizes up to \$500 in the form of vouchers. Vouchers can be inserted into a PAT to purchase more Lottery tickets, or they can be cashed at an online Lottery retailer. Instant tickets must be processed and paid by a clerk at a Lottery retailer.

**NH SALES UP.** Nine months into the fiscal year, the New Hampshire Lottery is \$14 million ahead of last year's pace. Sales through the third quarter were at \$199 million. Powerball

sales have shown the greatest increase, with a 22.5% spike over last year's sales. More than \$59 million in revenue has been generated by the lottery for education.



[Click Here for more information.](#)

**ME 30th POWERBALL JURISDICTION.** Tickets for Powerball will go on sale in Maine starting July 30. That word from state lottery officials, who say Maine will become the 30<sup>th</sup> Lottery jurisdiction to offer Powerball.

**MD ADDS SUNDAY AFTERNOON DRAWS.** Sunday, May 23, the Maryland Lottery began offering Sunday afternoon draws for its Pick 3 and Pick 4 games. The state is hoping that the new drawings will generate \$5 million to \$8 million annually. The afternoon Pick 3 and Pick 4 drawings will be held at 1:30 p.m.

## **36 Lotteries from 15 countries confirmed Intern'l Lottery Expo & ILAC Congress 2004**

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**MN TO MAKE CUTS.** The Associated Press reported that the Minnesota State Lottery will cut 15 jobs and close its offices in Brainerd and Eagan in a move intended to save \$1 million beginning in July. According to the AP report interim lottery

director Mike Vekich said yesterday that the moves will make "the lottery more efficient and effective." The restructuring was a response to a legislative auditor's report released in February, he said. Since the auditor's report, Vekich has ended the lottery's sponsorship of a bass fishing tour and canceled the "Environmental Experience" semi-trailer truck and radio and television promotional shows, all done under contract with Media Rare of St. Paul. Those moves, along with the layoffs and closings, are expected to save \$4.3 million.

**WV LAUNCHES SEVENTH VETERANS' GAME.** The West Virginia Lottery's seventh "Veterans Cash," instant game designed under special legislation to provide funding for a skilled care nursing facility benefiting West Virginia veterans, is now available at lottery retail locations statewide. Designed on an oversized ticket, the new "Veterans Cash" game includes more than \$2.3 million in cash prizes. A continuation of instant games featuring WWII, Korea, Vietnam and Operation Desert Storm, the tickets display a striking red, white and blue patriotic design on a gunmetal gray background. The special veterans' games were provided by the Legislature in 2000 to earmark funds for the 120-bed, 75,000 sq. ft. facility in Clarksburg. Musgrave said sales from the special tickets have raised more than \$4 million for the \$23 million project.

**LA PUBLISHES SCAM BROCHURE.** The Louisiana Lottery has published a new "Illegal Lottery Scams" brochure for its players to warn them about lottery scams. The brochures were released after the Lottery received calls from local players who had received solicitations from an organization informing them that they had won a Spanish lottery prize. According to the FTC, the current scam illegally uses the name of Spain's largest lottery prize, "El Gordo," to con consumers out of substantial sums of money, telling the consumers that they must keep the award a secret and they must pay for taxes, bank costs and processing fees. The Lottery's new brochure describes these and other tactics used by scam artists operating illegal lotteries and warns that victims rarely recover their money. The brochure also gives tips on protecting oneself from becoming a victim and ways to recognize a potential lottery scam.

**SALES UP FOR ONCE.** Spain's ONCE has registered lottery sales in the first four months of the year of almost €800 million, up 4% over the same period last year. An extraordinary March 13 draw, and a rise in the number of players are credited with the increase. The Lottery is currently preparing to launch a new kind of lottery in the fall.

**MALAYSIAN COMPANIES SEEK EXPANSIONS.** Several Malaysian gaming companies are seeking approval to offer football betting for domestic and international matches. Four-digit operators are also asking for operating hours to be expanded beyond 7pm.

**CORRECTION:** Last week the Morning Report printed that the Kansas Lottery's eScratch game was the first interactive Internet Lottery game. While the game appears to be the second, the first was actually the New Jersey Lottery's Cyber Slingo, launched in February of 2004.

## **\*NEW\* RACINO NEWS**

**TEXANS WANT VLTs.** Austin's Baseline & Associates Inc. conducted a survey for the Texas Racing Agri-Industry Council and found that 73% of 600 respondents were in favor of VLTs in race tracks, given that the money is marked exclusively for education. When property tax reduction is the beneficiary 71% were in favor of VLTs.

**FLORIDANS COULD VOTE ON GAMING MACHINES.** The Associated Press reported that the Supreme Court ruled unanimously that the ballot measure proposed by a group called 'Floridians for a Level Playing Field' meets the legal requirements to get on the ballot. The measure would ask voters statewide to change the state constitution and allow Miami-Dade and Broward counties to hold referendums on whether to authorize gaming machines at existing pari-mutuel facilities. Nearly 500,000 more signatures are needed to get the measure on the ballot.

**CHICAGO CASINO CAUSING COMMOTION.** The City of Chicago and the State of Illinois seem to be at odds over the prospect of a casino in Chicago. Illinois Senate Democrats would like to see a state-owned casino inside the city, but Chicago's Mayor Daley and state Senate President Emil Jones (D-Chicago) insist that the City of Chicago owns the keys to the casino. One plan being considered would give Chicago a bigger portion of the gambling revenues than other casino towns – current estimates have the figure as high as \$350 million annually.

**LA BILL WOULD REDEFINE VIDEO POKER QUALIFICATIONS.** Louisiana lawmakers voted 63-31 in favor of a bill that would lower the amount of food restaurants have to sell to qualify for video poker machines. The bill, which calls for businesses to make 50% or more of its revenue from food (excluding alcohol) now heads for the Senate. Current legislation calls for businesses to make 60% or more of revenue from food.

**WA GETTING READY FOR ONLINE WAGERS.** The Washington Horse Racing Commission approved rules governing advance deposit wagering that the Legislature and the governor legalized in April. The system allows gamblers to deposit money with an account wagering firm, then bet with that money over the Internet or telephone on races around the country.

**CA LAWMAKER DROPS SLOTS AMENDMENT.** Due to wide-spread opposition, California Assemblyman George Plescia dropped his proposed amendment that would have allowed slots and table games throughout the state. However, Plescia did not drop an amendment that would raise the Lottery's payout percentage.

**AL BINGO BILL DIES.** A controversial bill that would have imposed a tax on video bingo machines died in Alabama last week after the session ended without voting on the bill. The bill would have levied a 16% tax on the machines, and would have tagged the money for public school textbooks and Medicaid. It was estimated that the bill would have generated \$98 million annually for the state.

**LA TO REISSUE GAMING MACHINE MONITORING RFP.** The Louisiana State Police are reportedly planning to

reissue an RFP for a gaming machine monitoring system to monitor video poker machines. The state's contract with IGT is set to expire next month, but IGT has reportedly offered to keep the system going until a new one is in place.

## COMPANY ANNOUNCEMENTS

**DE LOTTO CHOOSES AVAYA.** Avaya Inc, a leading global provider of communications networks and services for businesses, announced that De Lotto has deployed Avaya IP telephony solutions at its head office in Rijswijk, the Netherlands. By using the new technology, De Lotto is expecting to increase efficiency and simplify the management of its numerous contacts with consumers and resellers. By using the Avaya IP solutions, De Lotto is also aiming to further improve customer service from its contact centre by reducing call queues and enabling increased flexibility to meet ever-changing workloads. The Avaya system's routing enhancements will allow calls to be answered more quickly, even during peak times. Employees who move desks internally can simply plug in their PC or phone anywhere in the office and still be reached on their direct number. This eliminates the need for reconfiguration and enhances mobility and flexibility.

**GTECH TO SUPPLY VA.** GTECH has been notified of the intent of the Virginia Lottery to award a seven-year contract to Oberthur Gaming under which GTECH will be subcontracted to provide new ITVMs and management of warehousing and distribution of instant tickets. The contract award, which is expected to commence in June of this year, includes options to renew for up to three years. Upon execution of the contract, GTECH will deliver 500 Expandable Dispensing System Quad Burster(TM) (EDS-Q) ITVMs initially. The new machines will replace a portion of the 1,500 machines already in operation. The Lottery has the option to expand the number of ITVMs over time.

**MULTIMEDIA AND WMS ENTER INTO STRATEGIC RELATIONSHIP.** Multimedia Games and WMS Industries announced that they have entered into a strategic relationship whereby they will expand and extend their relationship to now address opportunities in Class II and other central determinant system-based gaming markets through their subsidiaries MegaBingo, Inc. and WMS Gaming Inc. Through a new two-year agreement, Multimedia will license additional WMS game themes and WMS will serve as Multimedia's primary original equipment manufacturer of electronic gaming equipment.

**PUERTO RICO CHOOSES SCI-GAMES.** Scientific Games has been named the apparent winner of the online lottery contract for Puerto Rico. The contract is estimated to be worth \$66.7 million and is for a term of seven years. The contract is subject to the negotiation of final terms and conditions.

## PEOPLE

Oberthur Gaming announced that **John J. Connelly**, Senior Vice-President of U.S. Sales and Marketing, has accepted a Vice-President position within the casino industry. OGT is pleased to announce that **Kathy Matson** will act as Vice-President of U.S. Sales and Marketing, a position she held until August 2003 when she resigned for personal

commitments. Mr. Connelly will work as a consultant for OGT during the transition period.

Kansas Gov. Kathleen Sebelius has appointed **Michael Gayoso, Jr.**, an attorney with the law firm of Gayoso and Brewster in Girard, to be a member of the Kansas Lottery Commission. He will serve on the Lottery Commission until his term expires on March 15, 2007.

## LOTTERY JOBS

**SEEKING APPLICANTS FOR MINNESOTA STATE LOTTERY DIRECTOR.** Minnesota Gov. Tim Pawlenty announced that applications are being accepted for the position of director of the Minnesota State Lottery. The director of the Minnesota State Lottery provides vision and strategic direction for the lottery agency, programs and activities; provides leadership for the preparation of annual business plans, marketing and advertising direction, and the adoption of rules and game procedures; ensures the proper management of lottery funds in accordance with state statutes; oversees licensing of retailers and of procurement contracts of good or services; and directs the recruitment and hiring of the management team. The director of the Minnesota State Lottery is an unclassified position, reports to the Governor and is responsible for a staff of approximately 147 and budget of approximately \$400,000,000 in total lottery revenue. The **salary range** is between \$95,067 and 130,416 annually. **Minimum qualifications:** a demonstrated working knowledge of private and public management principles and practices, marketing theory and practice, and public/private accounting and financial practices; understanding of Minnesota state government structure and operation, including statutes and rules affecting lottery operations, the legislative process, labor relations and state fiscal policy; understanding of the lottery's legislative mandates, history and general operations; and comprehensive business experience that demonstrates abilities of leadership, management, strategy, organization, negotiation, human relations, and communications. A master's degree in public or business administration, or a related field is preferred. **Apply:** submit your résumé through the online Resume Builder at <https://statejobs.doer.state.mn.us/ResumeBuilder>. You may copy and paste your existing résumé or let the software create a résumé for you. Please indicate that you are applying for the position of Executive Director, Minnesota State Lottery. The application deadline is June 11, 2004.

### HOTEL ALERT – EXPO/ILAC CONFERENCE

Loews Miami Beach Hotel, site of the EXPO/ILAC conference has advised us that the Hotel is busier than usual this year and recommends that you make your hotel reservations this week. After May 26 the Hotel cannot guarantee that additional rooms will be available. **CALL 305-604-1601 FOR ROOM RESERVATIONS.** The conference begins at 3 PM on June 28 and ends at 11 AM on July 2.

**Submit material for next week's Morning Report by  
Wednesday of this week to [Toddprgr2@aol.com](mailto:Toddprgr2@aol.com)**

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