

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*  
May 26, 2003

**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](http://www.publicgaming.org)**.

**VT SIGNS ON WITH POWERBALL.** Legislation has been signed authorizing the sale of Powerball tickets throughout Vermont, effective July 1, 2003. On May 14, MUSL confirmed the state's acceptance into the multi-state game. Powerball is expected to generate \$3.2 million in revenue for the state each year.

**VLTs A GO THOUGH PATAKI SAYS NO.** New York Governor George Pataki vetoed a bill involving VLTs, but the legislature turned around and overrode the veto, so it appears that the state may finally be on the way to implementing its VLT program at racetracks. The new legislation increases the tracks share of the take. In the first three years, tracks that originally were slated to receive 12.5% will now garner 20.25%. In years four and five tracks get 20%, and in years six through ten they keep 17.5%. Education's share increased, from 60% to 61%, while the Lottery's decreased from 15% down to 10%. The legislation also extended the VLT program for ten years, and allows the machines to operate for 16 consecutive hours a day, up from the 12 hours currently allotted.

**REQUEST FOR INFORMATION.** Mifal Hapais, the Israel Lottery, is looking for some help. They are seeking any recorded history of one of the "picks" in a lottery, including: sales, trends, market shares and changes in the game, etc. They are hoping to use the information to analyze one of their new games that utilizes the Pick-3 style. Information can be sent to: Tamar Guy; PR & International Relations; Mifal

Hapais, Israel Lottery; 3 Heftman st.; Tel Aviv Israel 61070.  
Tel: 972-3-6940014; Fax: 972-3-6940318

**AZ ON RECORD PACE.** The Arizona Lottery is on a record pace for annual sales after quarter three of FY03. Sales are \$243.9 million through March, 8.6 percent ahead of last year. One of the big reasons for the sales lift is the record Powerball jackpot in December, as well as success with the Lottery's first \$10 ticket.

**SCEL BEATING PROJECTIONS.** The South Carolina Education Lottery is well ahead of its FY03 goal. The Lottery recently transferred \$185.4 million to the state, \$13 million more than was projected for the entire year. Proceeds were expected to finish around \$172 million, but current projections have shifted that number to upwards of \$212 million. The only problem now is that the state is trying to figure out what to do with the money. It's a nice problem to have.

## **COLORADO COMBINES MEDIA FOR PROMOTION.**

The Colorado Lottery is gearing up to promote their new "Lucky 7's" campaign that emphasizes three different Scratch tickets; Hot 7's (\$1 ticket), Sizzling 7's (\$2), and Super 7's (\$5). The advertising campaign involves television and radio spots. In addition, this new and very innovative effort also combines promotion, POS, and website elements. "The Legend of the Luck of the 7" is a three spot TV campaign that will tell viewers the story of a village leader who is ill, and the search for his successor. Seven people compete to be the new leader in these "continuing story" type ads. The Lottery's website ([www.coloradolottery.com](http://www.coloradolottery.com)), will offer an opportunity for the public to log on and see more of "The Legend" story. A "directors cut" will be featured on the site and will be updated every week. Visitors can also participate in a corresponding promotion to win prizes by registering on the site (with no ticket purchase required).

**PA RETAILERS SPEAK OUT.** Pennsylvania's newly formed Retailer Association has expressed concern that expanded gambling activities will eat into their sales. They are especially concerned with expanding the number of lottery outlets. The group is also asking for more smaller prizes on tickets, as smaller prizes are generally spent at the outlet on more tickets or other goods in the store.

**TEXAS TWO STEP TURNS TWO.** Texas Two Step was added to the Texas Lottery's lineup of on-line games in May 2001. It recently celebrated its second anniversary with a \$1 million jackpot winner. To date, the Lottery has paid out more than \$83 million to Texas Two Step winners. Of that amount, more than \$38 million has been won at the jackpot prize level.

**MO MAY GET AMBER ALERT.** The Missouri House of Representatives passed a bill that would establish an Amber Alert system. One of the outlets the system would use to distribute information would include the Lottery. The bill now heads to the Senate.

**RI MAY CHANGE APPOINTMENT POWERS.** The Rhode Island House of Representatives has passed a bill

aiming to decrease the General Assembly's influence on state government. The bill prohibits lawmakers from making appointments to most boards, including the Lottery Commission, and designates that authority to the Governor. The Senate has passed a similar version of the bill. The change requires voter approval.

#### **IL GOV. SHOOTS DOWN GAMBLING PROPOSAL.**

An Illinois House Panel approved legislation that would bring a riverboat casino to Chicago and gambling to bars and restaurants across the state. The gambling expansion, allowing for at least an addition 8,700 gambling machines, would generate an estimated \$2.5 billion for the state. Despite a looming \$5 billion budget deficit Gov. Rod Blagojevich stunned lawmakers by announcing that he would veto the proposed expansion.

**AZ TO HELP WITH AMBER ALERTS.** The Arizona Lottery will participate in the state's Amber Alert program. Any data available will be printed by the Lottery's 2,600 online terminals and will be made available to customers at the counter.

**WI GOV. WILL VETO VLTs.** Wisconsin Gov. Jim Doyle stated that he will veto any bill allowing VLTs in bars. He clarified that the machines would be an unconstitutional expansion of gambling (it's important to note that The Tavern League disagrees with this assessment).

**CAMELOT HELPS UK COURT OLYMPICS.** Camelot will be helping to fund efforts to bring the Olympic Games back to London. The estimated cost of the games is £2.375 billion. Camelot is expected to help by raising £800 million with a special Olympic lottery game, and £500 million from other lottery funds.

**AUSTRALIA BANS INTERNET GAMBLING.** The Australian Parliament recently passed a bill banning gambling on online casinos both domestically and offshore. The bill was described by supporters as aggressive, while opponents labeled it cynical and unworkable.

**SINGAPORE POOLS FIGHTS SARS.** Singapore Pools launched a special "Free Singapore From SARS" Draw with an "Instant Scratch Out SARS 'N Win" game. This special Draw aims to raise funds for SARS-related community causes and to educate the public about SARS prevention in a fun and enjoyable way. Singapore Pools has pledged all net proceeds estimated at \$2 million towards the above. The initiative reminds the public to do their part in fighting SARS, but also encourages Singaporeans to go back to life as usual. To spur this shift, Singapore Pools sponsored the production of 20,000 Taxi SARS Battle Kits (including sanitizers, masks, alcohol swipes and more) to be distributed to all taxi-drivers island-wide.

**NORSK TIPPING TO HELP LAUNCH SRI LANKA ONLINE.** Sri Lanka's National Lotteries Board received cabinet approval to launch an online lottery (via 1200 terminals) that will be operated through a wholly owned subsidiary company with expertise provided by Norsk Tipping AS. The hardware and software is being supplied by

Essnet. Norsk Tipping's will oversee the installation for Essnet's systems, and will take care of most operating functions for five years (management, marketing, data center operations, administration, communications, etc.).

**CHICAGO IN ISRAEL.** Mifal Hapais is launching a new campaign following the completion of the first year for the new keno-style game "Pais-777". Pais-777 was launched a year ago in a successful campaign, starring Miss Israel under the slogan: "Even if You are not so Lucky". The new campaign, inspired by the film "Chicago", maintains the merits of the new brand that have become well known: optimism, generosity and a good chance of winning which enables even those who have no luck to win a prize. The campaign takes place in a women's prison. A prisoner digs her way to freedom, only to find she has dug her way into the room of the tough prison warden. From this moment a "pink cabaret" performance begins. Prisoners against guards sing and dance in colorful costumes with humor and a gleam of Chicago.

**EESTI LOTO REDUCES CASINO HOLDINGS.** Eesti Loto has announced that it will reduce its 10% stake in the Admiral casino chain to 1.2%. The Lottery does not consider it important to be active in the casino business, and wishes to concentrate on its core lottery activities.

#### **PAGCOR LAUNCHES ONLINE SPORTS BETTING.**

The Philippine Amusement and Gaming Corporation will launch an online sports betting facility this May. The site, which will initially allow wagering on basketball games in the Philippines and the U.S., is a joint-venture with Philweb.com Corp.

**CAMELOT FACES POSSIBLE LOSS OF LOTTERY MONOPOLY.** UK National Lottery Operator Camelot could lose its monopoly under an overhaul designed to reverse declining lottery sales. The government plans to divide the licenses, but new legislation is expected to be needed before the changes can be made and the issuing of new licenses in 2009. Tessa Jowell, the Culture secretary, is expected to announce the change next month. Lottery sales have fallen in recent years and now are at £88 million a week compared to £100 million five years ago.

### **LOTTERY PEOPLE**

**Austin Andrews** has resigned his position as executive director of the Virgin Islands Lottery. **Paul L. Flemming** has been selected to fill the post, effective May 27, pending confirmation by the Legislature. In the meantime, **Valerie Hammond**, deputy executive Lottery director, will serve as acting director.

IGT OnLine Entertainment Systems announced that **Jean Beadle** has joined the company as Chief Financial Officer. Jean, who is succeeding **Bob Evers**, brings over 20 years finance experience in the technology industry.

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



# INTERNATIONAL LOTTERY EXPO PROGRAM TOPICS

- The Florida Lottery Today And Plans For Growth
- The Big Kahuna Of Lottery Revenues—Video Lottery
  - How Much To The Lottery's Bottom Line
  - Race Tracks And Lotteries Working Together
  - Other Help For States Wanting Video 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
- 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](mailto:elsiepr2@aol.com) • [www.publicgaming.org](http://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](http://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](mailto:publicgam@aol.com), or [click here](#) to visit us on the Web at [www.publicgaming.org](http://www.publicgaming.org)

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