

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
October 21, 2002

WASHINGTON STATE EYES VLTs. If Washington State lawmakers agree, 18,900 non-tribal VLTs could find their way into age restricted bars, card rooms, restaurants and bingo halls across the state (tribal establishments already offer more than 16,000 of the machines). Gov. Gary Locke publicly opposes expanding gambling, but the \$2 billion budget deficit may soften his stance. The measure calls for a state tax of 20 percent on net proceeds from the nontribal machines. Five percent of that would fund programs to help addicted gamblers. An additional 5 percent would go to local governments.

BCLC TO SELL MACHINES. British Columbia Lottery Corporation (BCLC) has 7 (seven) Ryo Cateau Model ML 50/70 Ball Draw machines with a control unit for disposal. These machines were manufactured in 1985 and have been in storage in their original wooden crates for approximately 12 years. If interested contact Don Hoye Manager Purchasing. dhoye@bclc.com

PING PONG BEETLE. To help kick off the launch of Powerball, the SCEL sponsored a contest in which players had the chance to correctly guess the amount of ping-pong balls that filled a 2003 Volkswagen Super Beetle. A guess of 17,160 came closest to the actual number – 17,166.

HOOSIERS SEEK CHANGE TO SIGN LAW. The Hoosier Lottery is seeking a change in the Jeffersonville city ordinance limiting the size and number of signs at local businesses. The law has hurt the state's ability to advertise. The Lottery wants to put three-sided signs on poles outside of retailers business, but the City won't allow it.

CAMELOT SEEKS CHANGE IN FUNDS DISTRIBUTION. Changes have been proposed to the way Camelot distributes money to good causes. One proposal calls for tickboxes on cards giving purchasers a choice of charities. The Lottery admits that the

change would be quite expensive, and some smaller charities expressed concern that they would lose valuable funding, so there is still much debate to go through on this issue.

UTHINGO TO DELAY KENO LAUNCH. Uthingo stated that the leaking of information about their new Keno game, and a misunderstanding about funds distribution may delay the launch of the game in order to clarify issues about their operation. The game was scheduled to kick off November 11.

EESTI LOTO WINS AWARD. The Estonian Conference Center initiated the competition "Right Decision!" to encourage top executives to develop their decision-making capacity. The competition's top award went to Monika Salu, President and CEO of Eesti Loto for her decision to implement a balanced system of measures, which led to a tenfold increase in the company's efficiency.

NEW ZEALAND GIVES LOTTO NEW LOOK. The New Zealand Lottery is relaunching its Lotto game, complete with a new look on October 27. The logo for the game, in place since 1987 is being changed to reflect attempts to make the game modern, fresh and relevant. As for other changes to the game, the Lottery is hoping the game will produce a millionaire each week. To achieve this, mid-range prizes will be scaled back, and low-end prizes will be increased.

TATTERSALL'S FUNDS MONUMENT. Australia's Tattersall's provided the remaining \$1.1 million needed to construct Australia's first war memorial to list the names of 34,737 POWs held captive in several wars. The 130-metre-long black granite wall will also carry the names of the 8,600 Australian POWs who lost their lives in captivity and nearly 4,000 who have no known graves.

NEW MEXICO RFP. The New Mexico Lottery Authority has issued an RFP for Instant Lottery Ticket Printing/Related Services and Customer Relationship Management Systems. Individuals and corporations interested in submitting proposals for these services may contact the NMLA's purchaser after October 15, 2002, at **505-342-7623** or **505-342-7600**. Copies shall be available for review by mail, or during normal business hours at the NMLA corporate offices, 4511 Osuna Rd. NE, Albuquerque, NM 87109. Parties may contact the purchaser for the sole purpose of requesting to be added to the distribution list for the issuance of the request for proposals (RFP). The NMLA reserves the right to accept or reject any or all bids or parts thereof.

COMPANY ANNOUNCEMENTS

SCIENTIFIC GAMES WINS COLORADO. Scientific Games International has been named the apparent winner of the contract to provide on-line lottery services to the Colorado Lottery. The contract is valued at a

minimum of \$29.5 million over the initial six-year term and contains options for four additional one-year extensions. The selection of SGI is subject to the execution of a final contract and may include additional services. Mark Zamarripa, the Colorado Lottery Director, said, "Scientific Games has been our primary instant ticket vendor since 1983 and we have always been pleased with their products and services. We have been able to work closely with SGI on every aspect of design, production, logistics and marketing and expect to receive the same close attention to detail to the on-line lottery business."

CHANGE PLAY™ LAUNCHES IN MICHIGAN. With the October 13 launch of Change Play™ in Michigan, Bersch Gaming announced the second US lottery to license its patented online game that lets people use their change after any purchase to buy quick-pick lottery tickets in denominations from 25 to 99 cents. The Georgia Lottery was first to launch the game in July and Phil Congello, Jr., CEO of Bersch Gaming LLC, stated that, "Early results show sales are incremental and are not cannibalizing existing games." Research also shows that more than half of adults don't take the time to count their change after making a purchase and that North American online retailers give back more than \$22 billion in change each year.

CAMELOT CHOOSES NETKIT. NetKit Solutions has been selected by Camelot in a six-year agreement to provide computer internetworking equipment and support for the UK National Lottery. NetKit's solution for Camelot is based on its Access Communication Processor ACP 50 and ACP 550 product platforms.

E-SUCCESS SIGNS TWO LOTTERIES. e-Success has completed sales of its Integrity Internal Control System (ICS) to the Loterie Romande and to Korea Lottery Services Co. Both systems will go into production in November 2002. The Integrity ICS will now be operating at twelve government lotteries.

GTECH SIGNS WITH WESTLOTTO. GTECH has been selected as the preferred supplier to provide a new online and instant ticket central system solution and related services to Westdeutsche Lotterie GmbH & Co. OHG (WestLotto). GTECH will replace WestLotto's existing central system and communications hardware and software with GTECH's Enterprise Series™. The company will also provide WestLotto with ongoing services for the central system hardware and software; software enhancements; hotline training; and lottery personnel training. GTECH anticipates receiving over a period of five years approximately \$40 million in product sale and services fees, beginning in fiscal year 2005. The contract may be extended for additional years.

LFDJ ORDERS FROM AGS. La Francaise des Jeux placed an order with Access Gaming for the supply of an interface connecting the AGS interactive gaming

system with satellite based iTV players in the French market. The players will require a Set-Top-Box connected to their TV in their home. The AGS system is already live in France serving LFDJ's internet players with instant lottery games for cash. Players simply register for game play, and deposit funds into an electronic purse which they can withdraw winnings from.

MAINE EXTENDS SCHAFFER. The State of Maine Division of Purchases recently requested an extension of their contract for Lottery Ticket Dispensers. The contract has been extended for a one year period ending November 30, 2003, at which time a renewal option will be considered. The State of Maine has been purchasing a variety of lottery point of purchase displays from Schaffer Systems since 1992.

RIMPAC OFFICE OPENS IN MEXICO. Rimpac Resources announced the opening of its Internet Lottery marketing and business development office in Tijuana, Mexico. The office is highly integrated with Internet access to collect and analyze data specific to the lottery market segments for Mexico, Spain and Latin America. In addition, the Mexican staff is currently in discussion with the government and working closely to develop alliances with various Internet cafes and licensed casinos to promote and market the InternetLOTO.com Web portal, where qualified players may purchase e-lottery tickets to win weekly jackpots.

SEIKO LAUNCHES NEW PRINTERS. Seiko introduced the new PSA-66-2N and PSA-66VST ticket/coupon printers designed for a variety of applications including lottery terminals and gaming machines. The PSA-66-2N offers presentation of the ticket only after it has been completely printed; high-visibility, high-speed ticket reveal; increased ticket capacity; and other features that streamline maintenance requirements. It also offers a large ticket capacity of up to 800, significantly minimizing machine downtime and labor costs associated with paper replenishment. The vertical-profile PSA-66VST, fits into many machines that cannot accommodate standard horizontal type printers. Machine manufacturers will no longer be required to disassemble and reassemble a standard printer to fit the vertically oriented space configurations imposed by some machines. Contact cynthia-guardia@j2marketing.com

LOTTERY PEOPLE

LOTTERY PEOPLE. Kentucky Lottery employees received some of the lottery industry's top honors at the NASPL conference. VP of Public Affairs and Corporate Communications **Rick Redman** received the Powers Award, presented in recognition of lottery and vendor employees who have made significant contributions to their lotteries by virtue of exceptional job performance. Online/Pull-Tab Product Coordinator **Sheila Smith** received the Ott Brown Scholarship, which allows one

lottery professional annually to complete the NASPL Lottery Management Certificate Program at no cost. GTECH announced that **Timothy B. Nyman** has been named Senior Vice President of Global Services. Mr. Nyman joined the Company in 1981 and most recently served as Vice President of Client Services.

EMPLOYMENT OPPORTUNITY

DIRECTOR OF SALES, WASHINGTON LOTTERY.

The Washington State Lottery is seeking a Director of Sales. The position has primary responsibility for developing product and marketing goals by sales area and by retailer segment and directing sales activities to meet goals. Develops a positive relationship with the Lottery's networks of retail agents and other lotteries in order to maximize sales, and oversees activities of appx 70 staff. **Desired Qualifications:** Bachelor's; 6yrs sales experience; 2yrs at management level. Experience includes establishing sales goals, analyzing sales data, and implementing high-level sales/marketing programs. Have clear understanding of strategic and long-range planning, setting organizational direction, principles and practices of sales techniques. Strong leadership and admin skills with demonstrated ability to motivate, inspire, and direct others; be organized; attend to and follow through on details. Strong communication, team building, and mentoring skills are a must. Experience working with union bargaining units is beneficial. Experience with food retailers is a plus.

Compensation: \$64,000 - \$77,000 annually, DOQ. Excellent benefits package including medical, dental, pension, life insurance, and deferred compensation plans. **For further information**, please call **(360) 664-4814**. Inquire no later than 5:00p.m. on **October 31**.

DIRECTOR OF SECURITY, WASHINGTON

LOTTERY. The Washington State Lottery is seeking a Director of Security to report to the Deputy Director in Olympia, Washington. The Lottery Director of Security has a primary responsibility to ensure that the Lottery has secure systems in place to enable the agency to maintain player and retailer trust and integrity. **Desired Qualifications:** BS or BA Police Science, Public Administration, Business Administration, Security Administration or closely related field; 5yrs of responsible admin or staff experience analyzing and making recommendations for solution of problems relating to physical and/or data security systems and procedures and investigative experience; 2yrs must involve personnel and /or project management. Sound knowledge of physical and data security principles and criminal investigations, as well as experience with community policing philosophy and techniques is a must. **Compensation: \$54,500 – \$68,000** annually DOQ. Excellent benefits package including medical, dental, pension, life insurance, and deferred compensation plans. **For further information**, please call **(360) 664-4814**. Inquire no later than 5:00p.m. on **October 31**.

WASHINGTON OFFERING EXECUTIVE

FELLOWSHIP. Candidate assists communications staff with major projects, including graphics support, winner awareness program, media relations, and special events. Writes copy for news releases and Web site, promotions, and publications. Develops collateral materials for Lottery products and programs. Works closely with contract advertising and public relations firms. Develops agency's speakers bureau program. Researches and prepares correspondence for responding to public inquiries. Assists with proofing and copy editing. Maintains files, including photo archives. Duration of Fellowship may be up to two years. **Salary Range: \$2,249-\$2,645. Qualifications:** Successful completion of at least one academic year of graduate level work at an accredited graduate school and actively pursuing a graduate degree with emphasis on journalism, public relations, or communications. The preferred candidate will have outstanding writing, research, and interviewing skills, and the ability to manage projects and effectively communicate in writing and in person. Experience writing articles for publication and a high level of proficiency with the Internet, including maintaining Web site content using HTML and Web publishing software is desirable. Proficiency with Microsoft Office products (Word, Excel, and PowerPoint) and the ability to produce quality work under tight deadlines. **CONTACT: Debbie Robinson (360) 664-4814** <http://hr.dop.wa.gov/gip/efqual.htm>. Refer to position number EF 264.

TEXAS LOTTERY COMMISSION SEEKS DEPUTY EXECUTIVE DIRECTOR

(Posting No. 090502) \$73,920-\$119,160/yr. plus State of TX benefits. Application Deadline: October 25, 2002, 5 p.m. Bachelor's degree from an accredited four-yr. college/university in Business Administration, Finance, Political Science, or related field required. (Exp. in an executive level position in management, in excess of the required five years, may be substituted for college on a year-for-year basis.) Five years experience in an executive level position in management required. Three years supervision of supervisors required. Experience in federal or state government management preferred. Experience in lottery or gaming industry preferred. Willingness to travel for job-related purposes. Willingness to work irregular hours (i.e., weekends, holidays, and nights). For specific information, contact TLC at (512) 344-5333 or 1-800-395-5627 or www.txlottery.org. State of TX application required. Applicants requesting special accommodations should call (512) 344-5143 three days in advance for appropriate arrangements. EEO

Submit material for next week's Morning Report by Wednesday of this week to Toddpg2@aol.com