

PUBLIC GAMING INTERNATIONAL

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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**
October 4, 2004

BEST CA SALES YEAR EVER. California Lottery officials announced a stellar year with estimated sales for Fiscal Year (FY) 2003-04 over \$2.9 billion! This represents the highest sales since the commencement of the Lottery in 1985. Most importantly, more than \$1.090 billion was transferred to public schools. The Lottery achieved Scratchers® sales of over \$1.338 billion, increasing the previous year's sales by over \$127 million. Also, contributing to the record-breaking sales was the \$3 "Bingo" game and the \$5 "Red, Hot & Blue 7's" game which yielded \$78 million in its initial five weeks of sales. These tremendous sales results provide additional evidence of how the Lottery could increase sales and contributions to public education if legislation allowed it to increase the prize payout in its games. In addition to increasing sales, the Lottery implemented the world's largest and most complex gaming system with more than 80,000 pieces of equipment installed in over 18,000 Lottery retailer locations.

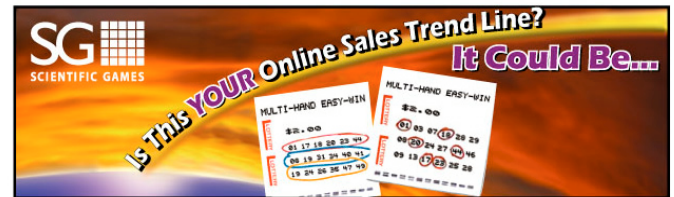
CASH WINFALL IN MA. Cash WinFall, the new \$2 jackpot game from the Massachusetts State Lottery, roared out of the starting gate with impressive first-week sales of more than \$1.3 million. Additionally, the game produced over 130,927 total winners of prizes ranging from \$4,000 to free bets for future games. Cash WinFall replaced Mass Millions, which was retired after seventeen years. The sales of Mass Millions had dropped

over the past decade, especially since the introduction of the multi-state jackpot game, Mega Millions, in 1996. Overall, Cash WinFall sales for the first week resulted in a 21% increase over Mass Millions sales for the same time period in 2003.

MN LAUNCHES NEW G3 GAME. Another exciting game has been added to the G3 Games™ lineup – G3 Crossword, a \$3 game with a \$20,000 top prize. The game launched on September

28. To win a prize playing G3 Crossword, players must complete three or more words in the crossword puzzle printed on the ticket by using the "call letters" printed on the ticket. Players simply mark the letters in the crossword puzzle that match the call letters. A prize key is printed on each G3 Crossword ticket. Other G3 Crossword prizes are \$1,000, \$100, \$50, \$25, \$10, \$5 and \$3. The approximate odds of winning a prize are 1 in 4.17.

TIC TAC CASH OFF TO A GREAT START. The



KLC's newest online game, Tic Tac Cash, has surpassed expectations during its first 4 weeks of sales. KLC Vice President of Sales Bob Little said the game is running 15% ahead of sales projections, with more than \$924,000 in game tickets sold. Players are also winning at a better pace, with the odds of landing a winning ticket dropping to 1 in 5.73 from 1 in 6.01. Little added he's received positive feedback from retailers about Tic Tac Cash, and that players appear to enjoy the concept of the game.

LUCKY FOR LIFE IN PA. The Pennsylvania Lottery announced a groundbreaking new online game, LUCKY FOR LIFE LOTTO, with a top prize of \$3,000 a month for life and an instant-play feature. LUCKY FOR LIFE went on sale Thursday, September 30, 2004, with the first drawing being held Saturday, October 2, 2004, at 7 p.m. Live, televised LUCKY FOR LIFE drawings will be held every Wednesday and Saturday evening. LUCKY FOR LIFE players will receive one play for \$2. Players select six numbers from 1 to 38, or they may elect the quick-pick, computer-selection



Adapted photo from the National Oceanic and Atmospheric Administration/Dept. of Commerce.

method. LUCKY FOR LIFE tickets may be purchased up to 13 weeks (26 draws) in advance. The Lottery will pay up to five top annuity prizes of \$3,000 a month for life during each LUCKY FOR LIFE drawing. If there are more than five winning jackpot tickets during a single drawing, the Lottery will divide \$180,000 per year evenly among the number of winning tickets.

OH LAUNCHES ROLLING CASH 5. The Ohio Lottery's Buckeye 5 game is being replaced by Rolling Cash 5. The \$1 5/39 game will draw Monday through Saturday evenings, with jackpots starting at \$100,000. Any night a jackpot isn't won the pot will grow by \$10,000.

YOUNG & THE RESTLESS. Daytime Soap Star Michelle Stafford recently stopped at the Menlo Park Mall in Edison to help promote the New Jersey Lottery's newest instant game – *The Young & the Restless*. Ms. Stafford, who portrays Phyllis Rimaldi on the long running show, signed more than 300 autographs, posed with fans and helped hand out free scratch-off game tickets. The *Young & the Restless* ticket sells for \$2.00 and offers a top prize of \$30,000. The ticket, which features eight different actors and actresses, offers players a chance to win a trip to Los Angeles to visit the set of the *Young & the Restless* through the lottery's Bonus Zone Second Chance Drawing. Players can enter the second chance by watching an episode of the *Young & the Restless* and filling information about the show on the back of a non-winning ticket; or by sending three non-winning tickets to Lottery headquarters. There are 10 drawings every two weeks starting October 15th. Each drawing will select: 1 grand prize winner of a trip for two to Los Angeles and 110 winners of *Young & the Restless* prize packs.

IA PLAN TO SAVE MONEY. The Iowa Lottery Board cleared the way for financing of the lottery's plans to purchase a Des Moines building as its headquarters and buy vending machines for its pull-tab and instant-scratch tickets. The board approved a resolution authorizing the lottery to issue \$8.8 million in revenue bonds to pay for the equipment and building. The board's decision followed earlier approval of the lottery's plans from the state Executive Council. Banc of America Leasing & Capital, LLC from Charlotte, N.C., will buy the lottery's bonds at 3.28 percent interest. The lottery's proposal will mean savings to the state on two fronts: Instead of using traditional six-year leasing arrangements for vending machines, the lottery will buy the equipment, saving about \$1.8 million in that time. Also, rather than continuing to rent headquarters space as it has since its start in 1985, the lottery will buy a building near downtown Des Moines, creating savings of about \$1 million during the same six-year period.

VA TURNS 16. When the Virginia Lottery sold its first ticket on September 20, 1988, there was excitement and anticipation, but also uncertainty. There was no guarantee that a lottery in Virginia was going to succeed and benefit the Commonwealth. But succeeded it has. In the sixteen years since the first ticket was sold, the Virginia Lottery has sold \$14.3 billion in tickets and turned over more than \$4.9 billion to the Commonwealth.

LOTTERY CELEBRATES FIRST BIRTHDAY. Last week marked the one-year anniversary for the Missouri Lottery's My Lottery on-line player membership program. Since the launch, more than 35,000 players have created accounts and participated in

many of the program's services, and a reported 83% of these have chosen to receive occasional promotional mail from the Lottery.

RESPONSIBLE GAMING WEEK. People across Nova Scotia will have an opportunity to get the facts about gaming and to learn more about the resources available to support responsible gaming choices through an awareness week this month. Peter Christie, Minister responsible for Part I of the Gaming Control Act, announced today, Sept. 24, that October 10-16 has been designated Responsible Gaming Awareness Week 2004 for Nova Scotia. The week, which will be the third annual for Nova Scotia and only one of two events of its kind in Canada, is designed to highlight the information, tools and services that support healthy gaming choices among Nova Scotians.

LA GRANDE MASCARADE. Loto-Québec is delighted to be serving as presenting sponsor of the very first edition of the highly original, La Grande Mascarade, and is inviting the public to come celebrate Halloween October 29-31 at Old Montréal's Place Jacques-Cartier. La Grande Mascarade promises three days of sunny, pre-winter festivities . . . Halloween like it's never been celebrated before! Among the many surprises in store is the Village People Closing Party presented by Loto-Québec and featuring the colourful group from the 1970s that had generations of both young and old dancing to their beat.

INSTANT REPLAY. On Saturday, October 2, 2004, the Massachusetts Lottery will bring its new anti-litter program, "Instant Replay," to the 180th annual Topsfield Fair. This program is designed to curb instant ticket litter in the Commonwealth and increase the Lottery's recycling efforts. "Instant Replay" gives everyone over the age of 18 the opportunity to collect twenty non-winning instant tickets and redeem them for a free \$1.00 instant ticket. The launch of the "Instant Relay" recycling initiative began at the Marshfield Fair in August. During the nine days at the Fair the Lottery collected 1.8 million non-winning instant tickets, weighing a total of 7.2 tons. Capital Paper and Recycling of Weymouth will shred and bale the paper for use at paper manufacturers.

INTERNATIONAL NEWS

VEIKKAUS AND MILESTONE ENTER GAME

AGREEMENT. Veikkaus, the Finnish National Lottery, and Milestone Entertainment announced a cooperation agreement under which Milestone will develop a portfolio of games for Veikkaus' OnNet Internet platform, mobile phones, and television. According to Risto Rautee, the Development Director for Veikkaus, "Now that we have successfully adapted our existing portfolio of lottery games for our OnNet Internet platform, we need to begin developing games that are specifically tailored for this environment. Milestone's extensive experience in creating lottery games for different electronic environments makes them an ideal creative partner for us."

SE ASIAN LOTTERY? It's been reported that Thailand's Government Lottery Office is working on plans to propose a multi-jurisdiction lottery that would encompass much of Southeast Asia. While no plan has been proposed, speculation for possible partners would include lotteries in Vietnam, Laos, Singapore and the Philippines.

CHILEAN LOTTERY OFF TO HOT START. Polla Chilena de Beneficencia S.A., the state lottery of Chile, announced that during the first six months of 2004, its sales increased by 29.7%. The company's sales reached US\$63.8 million compared to US\$49.2 million in 2003 due to the sales of LOTO games, which represent 85% of the total sales.

VIDEO GAMING/RACINOS

SWEDISH CASINO HITS LANDMARK ATTENDANCE NUMBER. On Tuesday September 21 Casino Cosmopol director Anita Öberg in the Sundsvall casino welcomed Casino Cosmopol visitor number 2,000,000 with a bottle of champagne and a cheque for a dinner in the casino restaurant. This casino was the first to open in 2001 following the Parliament decision in 1999 to permit international casinos in Sweden. Since then Casino Cosmopol, belonging to the Svenska Spel group, has opened casinos in Malmö, Göteborg and Stockholm. Although the latter did not start until March 2003 it has already had almost half a million visits. Svenska Spel predicts that net profit this year from Casino Cosmopol will amount to more than US\$35 million.

DC SLOTS RULING UPHeld. A panel of the D.C. Court of Appeals the D.C. Election Board's decision to invalidate thousands of signatures gathered in support of a plan that would legalize slot machines in the city. The decision ensures that the issue will not be on the Nov. 2 ballot.

PROVINCIAL SMOKING BAN. On Friday, October 1, Manitoba and New Brunswick will introduce the first province wide bans that prohibit smoking in almost all indoor public places and workplaces. The Manitoba Lotteries Corp. is expecting the ban to have a negative affect on gaming machine sales.

CASINOFORTUNE.COM TO BAIL OUT TRUMP. A spokesperson for Casino Fortune, the world's oldest online gambling company, announced that copies of a formal offer to acquire a 31% interest in Trump Hotels & Casino Resorts had been hand-delivered to Trump Organization CEO Donald Trump and Trump Hotels & Casino Resorts CFO Francis X. McCarthy, Jr. Earlier, rescue talks between Trump and Credit Suisse First Boston's private equity arm, DLJ Merchant Banking Partners, had fallen through.

COMPANY ANNOUNCEMENTS

ARISTOCRAT PRESIDENT NAMED GAMING PROFESSIONAL OF THE YEAR. Aristocrat Technologies President **Gavin Isaacs** was named "Gaming Professional of the Year" by the Casino Management Association of Southern Nevada (CMASNV), a non-profit corporation that provides resources for gaming industry professionals. Isaacs will be honored at the 2004 Gaming Voice Awards Wednesday, October 6 from 4 p.m. to 5:30 p.m. in the Premier Ballroom of the MGM Grand Conference Center. The "Gaming Professional of the Year" award is presented to professionals who have made significant contributions to the gaming industry. Mary Lynn Palenik, president of the CMASNV, said Isaacs was selected because of his longevity in the industry and his success leading Aristocrat Technologies to the competitive forefront of the supplier market. This is the second year the association has given the award.

ARIVIA.COM GETS NIGERIAN CONTRACT. Arivia.com Nigeria has won a contract worth an estimated \$21-million over the next five years to implement, maintain and support 2400 VSAT satellite sites across Nigeria for the national lottery. Arivia.com Nigeria will conduct an initial site survey of 100 sites and implementation will begin with the roll out of 1200 VSAT lottery sites in October. A further 1200 sites will be rolled out by the end of February 2005.

JCM AMERICAN CHOSEN AS MULTIMEDIA GAMES' PREFERRED SUPPLIER FOR BILL VALIDATORS.

Multimedia Games, Inc. has selected JCM American Corp as its preferred supplier of bill validators. JCM Vice President of Sales and Marketing, Mark Henderson said, "We believe this enhances JCM's position as the bill validator of choice for gaming. Working with a company like Multimedia allows JCM to expand our business into the interactive, video lottery and wide-area gaming arenas."

LOTTERY.COM TEXT ALERTS. Lottery.com went live with a new text messaging service that distributes nationwide state lottery results to mobile phones. Lottery.com is a service of Games Inc. The new text alert service is being offered to North American cell phone subscribers. Approximately 200 games in some 40 states and Canada are now available for Lottery.com users to sign up for, and receive the lottery results on their phone.

NY EXTENDS SCI-GAMES. Scientific Games Corporation announced its contract as a secondary supplier of instant tickets to the New York Lottery has been extended for another two years. The contract is valued at \$8.0 million over the two years.

ROK TO DEVELOPE SMS GAMES FOR BRAZILIAN LOTTERIES.

ROK Corporation announced the creation of a Joint Venture with Fingerprint, a lottery ticket and game products provider in Brazil for several State Lotteries. The joint venture company, ROK Brazil Technologies, is to create and operate Brazil's first ever lottery to be played on mobile phones whereby ROK will provide the lottery technology and gaming engine and Fingerprint will provide the business administration and implementation of the partnership in Brazil.

SCI-GAMES SIGNS IN PUERTO RICO. Scientific Games Corporation has signed the previously announced online lottery contract with Loteria Electronica de Puerto Rico. The contract is valued at \$66.7 million and is for a term of seven years. The online lottery contract includes the installation of 2000 terminals and a new central system with satellite and radio communication technology. The new system is scheduled to launch on March 15, 2005.

THAI LOTTERY CHOOSES LOXLEY GTECH. GTECH announced that LOXLEY GTECH Technology Co. Ltd. (LGT), a joint venture in which GTECH is a 49 percent equity partner, was chosen as the preferred bidder to provide equipment and services for a national online lottery in Thailand. Subject to the signing of a definitive agreement, LGT will provide online lottery technology and services to the GLO under a proposed five-year license.

WA LAUNCHES MDI INTERNET SERVICE. MDI announced that the Washington Lottery has become the latest to

bring MDI's Second Chance Bonus Zone[®] drawing entry to the Internet for the convenience of their players. When lottery players in the State of Washington submit second chance entries in the recently launched \$5 Harley-Davidson[®] Instant Slots scratch game, they have the option of mailing in entries or using the Internet service. Those who opt for the Internet entry method register at the Second Chance Bonus Zone[®] website to establish their username/password, then log in through secure servers each time they wish to submit entries. The website also serves as an Internet-based promotional brochure for the Harley[®] game where players can learn more about the drawing prizes, drawing deadlines and winners. Prizes to be offered in three second chance drawings include Harley-Davidson[®] Softail[®] motorcycles and packages of genuine Harley-Davidson[®] merchandise. The service also works to drive traffic to the Lottery's website. Washington is the tenth U.S. lottery customer for whom MDI has provided Internet support services since 2001.

PEOPLE

Dansk Tipstjeneste managing director **Per Schütze** has passed away after a long illness. He was 58 years old. Per was a workhorse and his courage never failed him even to the very last moment. There was nothing in the world he would rather have done than to leave his sickbed and go to work, but this was unfortunately not to be. Per came to Dansk Tipstjeneste in 1996.

"Bottom line" was a favorite phrase and he used it frequently. But he never put the demand for financial success above consideration for the company's reputation. On the contrary: Per was a pioneer in the corporate image project launched by Dansk Tipstjeneste last year, which he was regrettably unable to follow to completion. He took unfounded attacks on the credibility and reputation of Dansk Tipstjeneste both seriously and personally, and he never failed to give as good as he got.

During the eight years that Per headed Dansk Tipstjeneste, many innovations were introduced, including the online Tips.dk service, which has more than 200,000 registered players today. The Lotto service and the establishment of the Call Centre are two more examples of the initiatives that Per took with the aim of strengthening service to players.

Last but not least, two completely new areas of business were introduced under Per's leadership – horserace betting and gaming machines – both of which now make a considerable contribution to the company's overall sales figures.

Above all, Per valued honest, hard work and he never hesitated to take the lead. He had a well-developed ability to ask revealing and appropriate questions and had a remarkable ability to pacify what were sometimes heated discussions.

Those of us who were fortunate enough to work closely with Per will remember him as an outstandingly good-natured man with high standards and a pronounced sense of diplomacy and decorum. Per will be greatly missed for his hard work and his personality, which were a tremendous benefit to Dansk Tipstjeneste and employees alike. He leaves a wife and two sons with their families, and our deepest sympathies go out to them at this sad time.

SPECIAL CONFERENCE ADDITION

GLI BOOTH CHANGE AT G2E. The GLI booth number at G2E has been changed **from** #5900 **to** #4740 to help

accommodate a change in floor plan by G2E. This new booth number is different from what will be published in the official show guide, so please make a note of it.

CYBERVIEW SHOWCASE AT G2E. Cyberview Technology will be presenting its newly approved Game Download System at the 2004 G2E. Cyberview recently became the first company world-wide to receive certification from GLI for their new standard GLI-21 Game Download System. Cyberview will be offering live demonstrations of the system at G2E and will be discussing how to implement the system in the most seamless and efficient manner. **Visit Cyberview at booth 6101**

GLI BRINGS 15 YEARS EXPERIENCE TO G2E. GLI recently celebrated its 15th year in business, and the anniversary date was marked by expansion around the globe, most notably in Italy, Panama and the United States. GLI views G2E as a unique opportunity to see the products the company will soon be testing for regulators in worldwide jurisdictions. GLI will have representatives from each of its global offices in its booth available for consultation, and will participate in numerous conferences throughout the tradeshow. **GLI will be in booth #4740.**

GSA TO DEMONSTRATE AT G2E. The world of gaming has dramatically changed for the better, and the Gaming Standards Association (GSA) is at the forefront of the change. At this year's Global Gaming Expo (G2E), GSA will conduct live demonstrations of its groundbreaking Best-of-Breed (BOB), System-to-System (S2S) and GDS protocol standards in action, demonstrating to expo attendees how the gaming world has advanced with the new standards. GSA will conduct the demonstrations in its **booth #73** on the main expo floor each day of the trade show.

GTECH SHOWS GAMEPOINT AT NASPL. GTECH announced that it will feature its new GamePoint™ self-service lottery solution at the NASPL Conference. GamePoint, with its unique instant and online ticket dispensing technologies, is the product of GTECH's recent acquisition of instant-ticket vending machine supplier, Interlott. The new GamePoint terminal combines Interlott's instant ticket dispensing technology with GTECH's online lottery ticket distribution and sales. The new terminal will be available for display and demonstration in the **GTECH booth #49** on the NASPL show floor.

IGT DEBUTS SUPERSAS AT G2E. IGT announced today that it will be releasing details of its new SuperSAS protocol at G2E. The SuperSAS protocol is an Ethernet extension of its current SAS protocol, which will allow support for advanced features such as server based gaming, remote floor configuration, and centralized high speed machine and peripheral program downloads. IGT will be providing all of its more than 140 current SAS licensees with evaluation copies of the SuperSAS protocol to allow for review and industry comment. Access to the protocol is available to all existing and future SAS protocol licensees at no cost. Additionally, IGT will be scheduling industry forums to gain input and insight into the needs of all licensed gaming manufacturers, operators, and regulators to ensure that the protocol is usable by all SAS licensees. Finally, to ease the transition to the SuperSAS protocol, IGT plans to provide conformance, simulation and test tools to all SuperSAS

protocol licensees at no cost.

JCM TO SHOW 2 NEW PRODUCTS AT G2E. It's hard to imagine the past when slot machines didn't come standard with embedded bill validators. JCM revolutionized the gaming industry with that invention, and now the company is preparing to shape the future of gaming with two new groundbreaking products at G2E 2004. The Trident table safe system does for table games what the embedded bill validators did for slot machines. Trident automates the table game process and for the first time ever provides live, real-time data to the pit. In addition to the Trident, JCM will also unveil its new UBA Bill Validator. What's remarkable about the new UBA is its ability to accept all of the world's currency. The future of gaming will be on display in **JCM's booth #4734**, where it will be showing the Trident, the UBA and many more currency solutions.

SPIELO SHOWCASES NEW PRODUCTS AT G2E. Spielo will exhibit new games and products at G2E. The Company will display its latest multi-denomination and low-denomination games for the Aura® upright and the newly introduced Aura slant top video slot machines. Spielo will be highly visible at G2E as the exclusive sponsor of the newly launched G2E Experience. The G2E Experience is a venue within the conference that allows participants to view the New Product Showcase, the Product Demo Theatre, the Cyber Café, and the Networking Lounge. **Come see Spielo at booth # 5153.**

WMS MECHANICAL REELS AT G2E. WMS Gaming announced that it has secured all required approvals for its operating system, Bluebird(R) gaming cabinet and new game themes, and has begun to ship mechanical reel products to North American casinos. The six new, recently approved, mechanical reel games each feature the Can't Lose bonus feature which awards players with free spins that guarantee a winning combination. When a player bets the maximum amount of credits and a Can't Lose reel symbol appears on the payline, the player earns a free spin with a guaranteed winning payout that can be used any time the player chooses, and players have the ability to accumulate multiple winning spins. The first six Can't Lose game themes will be showcased at G2E, **WMS Booth #4234.**

CASE STUDIES

NEW YORK LOTTERY CASE STUDY – BARTERING FOR RADIO PROMOS

We've all been there...faced with the challenge of generating significant revenue increases with the same (or smaller) ad budget as the previous year. Logic tells you to save your ad dollars for those high profile games that will generate the most "buzz." But, what about the scores of games – Instant games in particular - that don't qualify for that kind of investment? The New York Lottery has discovered that bartering for radio promotional time can generate its own "buzz"... without the bucks. In fact, New York Lottery Director Nancy A. Palumbo estimates that New York executes more than 550 barter-based radio promotions annually with an estimated media equivalency rate of almost \$5 million.

According to Director Palumbo, "Bartering for radio promotional time is a no-cost marketing strategy that benefits the Lottery and our radio partners. Our research shows that loyal Instant game players are also loyal radio listeners. A fun, well-executed on-air promotion only serves to enhance our players'

positive perceptions toward both. Likewise, we know that stations have air time inventory that they have to fill, preferably with something that will encourage listener loyalty. The end result is a unique opportunity for us to customize our relationship with our players and our promotional partners simultaneously."

New York suggests using the following guidelines to ensure consistency across all barter-based promotional programs.

- **Mapping out a calendar of events:** Blocking out a monthly calendar of local, regional and federal holidays and events to give you an opportunity to overlay your planned Instant game launch schedule, even if you are still in the design stages and still finalizing;
- **Knowing your options:** An essential part of any successful bartering program is knowing how and when to pair your product with the radio station(s) that can best convey the fun and excitement of your product. For example, identifying a country station to help you promote a cow-themed, "Moo-La-Millions" ticket or a finding a radio station with a predominately female demo to help you promote your new "Pixie Dust Dollars" game.
- **Defining the promotion:** Preparing your own promotion guidelines in advance serves a dual purpose: It saves the station a lot of paperwork and helps ensure that you get exactly what you want. New York drafts a set of simple guidelines that spells out the length of promotion period, the game theme, top prize, chances to win and any key marketing copy, the expected ratio of Instant Game tickets to air time value, contact name for promotion approvals and promotional ticket pick up, and suggested execution concepts (e.g. nth caller contests, etc.);
- **Setting an appropriate barter ratio:** An ideal barter ratio is based upon the retail value of the Instant tickets and the retail value of the station's air time. In New York, that equates to an average ratio of 4:1 (air time value to ticket value). New York bases its ratio on a number of factors including, the broad popularity of its Instant games, the perceived value of our games, and the value the tickets bring to the promotion (e.g. can the promotion work without the tickets?), and the up-front work the Lottery does (e.g. supplying on-air copy and rotation schedules) to make the promotion as easy as possible to execute;
- **Tracking tickets:** To guard against fraudulent use of tickets, New York stamps the back of all tickets used in a radio promotion with "Not For Sale. For Promotional Use Only." New York also requires stations to provide a ticket distribution log that accounts for each ticket that is given away as part of the promotion.

MARK YOUR CALENDARS!

What: PGRI's SMART-Tech 2005

When: February 8-11

Where: Las Vegas!

For details: Call Susan Jason

Tel. 425-985-3159

INVITATION TO SUBMIT CASE STUDIES

Our thanks to the New York Lottery for originating the idea of using PGRI's *Morning Report* as an appropriate venue for sharing the case studies they deem likely to help others.

This week we are pleased to also include a case study submitted by the New Jersey Lottery. Our thanks to the New Jersey Lottery.

Other lotteries and government sponsored gaming organizations are invited to similarly use PGRI's weekly Morning Report as a means of sharing successes that may help others.

Simply e-mail your case studies to the editor of *Morning Report*,

Todd Koeppen, e-mail address:
toddpgr2@aol.com

by the end of the day Wednesday for publication the following Monday.

PGRI will archive these case studies and make them available to all
on
Public Gaming Research Institute's
web site: www.publicgaming.org

CASE STUDY: NEW JERSEY LOTTERY'S "WHERE THE MONEY GOES TOUR"

Lotteries around the country struggle with the best way to educate the general public about what happens to the money they spend on Lottery tickets. Most experience shows that the public is unaware that lotteries dedicate significant portions of their sales to support state programs. This has presented a tremendous challenge for public relations officials. Recently however, the New Jersey Lottery has found a useful, cost-effective way to educate the public about the lottery and where the money goes while at the same time building a strong network of supporters throughout the state. The New Jersey Lottery "*Where the Money Goes Tour*" was created earlier this year as a speakers' program aimed at boosting public awareness of the significant financial contribution that the Lottery makes in the community and to the state's economy.

The first step was to conduct research to determine which local businesses, service and social groups throughout the state (such as: Chambers of Commerce, Senior Community Centers, Kiwanis Clubs, AARP groups, Rotary clubs, as well as State Legislative offices and other agencies) regularly seek programs for presentation at their meetings.

At the same time, Lottery officials began to design and produce a fun, interactive PowerPoint program that would be used for each presentation. The focus of this program is the history of the lottery, the distribution of revenue (prizes v. retailers v. funding of state programs), an explanation of lottery games, a description of online interaction games, and an outline of responsible play initiatives. An important part of the presentation is the inclusion of a specially designed *Where the Money Goes Tour* logo that would easily identify the program to the audience.

Another important element of the program is providing an interactive Lottery experience for our audience. Using instant tickets as a promotional tool adds an extra dimension of fun and entertainment to the tour, either as a way of bringing people into the presentation or to provide prizes for trivia questions or as door prizes.

Once all of the pieces were in place, the Lottery's public relations team began a systematic outreach campaign to its target audience via a letter of introduction describing the program and inviting requests to schedule a presentation. As the Lottery followed-up with each group and started to arrange presentation dates and times, a master schedule of events was created using the Executive Director and Public Information Officer as the primary Lottery spokespersons. A *Where the Money Goes Tour* link also was added to the Lottery's home page (www.njlottery.net) where interested organizations could learn more about the program.

The *Where the Money Goes Tour* officially kicked off in March 2004 and to date, the New Jersey Lottery has conducted presentations before 20 different groups and already has 10 additional speaking engagements scheduled for the remainder of 2004 and early next year.

"It was an extremely informative presentation," said Angel Sauro, Public Information Officer for Bordentown Township, one of the groups who recently hosted a *Where the Money Goes Tour* presentation. "Our folks really enjoyed hearing more about the Lottery and left feeling excited to spread the message."

Over the next several months, the New Jersey Lottery plans to enhance the *Where the Money Goes Tour* by creating several audience-specific presentations, developing a post-event questionnaire which will allow attendees to evaluate the lottery presenter and provide referrals to other groups and expand its target audiences to include state trade associations, and colleges and universities throughout the state.

Finally, the New Jersey Lottery plans to add a video component to its PowerPoint presentation and design a *Where the Money Goes Tour* notebook and pen as a promotional item geared towards education.

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

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