



**MINUTES OF THE MEETING OF  
THE OHIO LOTTERY COMMISSION**

**HELD AT:  
THE FRANK J. LAUSCHE BUILDING  
FOURTH FLOOR CONFERENCE ROOM  
615 WEST SUPERIOR AVENUE - CLEVELAND, OHIO 44113**

**OCTOBER 26, 2009  
1:00 P.M.**

**Present at the meeting were the following:**

**Members of the Commission:**

Jaladah Aslam  
Paul M. Burens  
Ernie Cade  
Matthew Cox  
Allan C. Krulak  
Patrick McDonald  
William N. Morgan  
Rudy Stralka

**Executive Staff of the Commission:**

Kathleen B. Burke, Executive Director  
Pamela A. DeGeeter, Chief Legal Counsel  
Dennis Berg, Deputy Director, Finance  
John Martin, Deputy Director, Sales  
Gwen Penn, Deputy Director, Product Development  
Traci L. Pinkney, Deputy Director, General Services  
Christine T. Jasica, Administrative Assistant, Legal

**Also Present Were:**

James Manley, Assistant Legal Counsel  
Carol Brown, Internal Audit, Supervisor  
Traci Konesky, Admin. Asst., Finance  
Ron Fornaro, Instant Gaming System Manager, Product Development  
Dan Price, On-Line Product Manager, Product Development  
Roman Popadiuk, Network Administrative Supervisor  
Marie Kilbane-Seckers, Public Information Officer, Communications  
Maureen Hall, Admin. Asst., Marketing  
Joe Miller, Admin. Asst., Marketing  
Marian Heine, Fiscal Specialist  
Susan Brahler, Sales Representative, Region 7  
Gary Brahler, Charitable Gaming  
Tom Garcia, Intralot  
Tracy Blevins, Hooven Dayton Corporation  
Duane Miller, Hooven Dayton Corporation  
Andrea Heckman, Northlich  
Chrissy Neubauer, Northlich  
Elissa Gibson, Marcus Thomas  
Leslie Verral, Hart Associates  
Mike Hart, Hart Associates

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

The Ohio Lottery Commission (“the OLC”) meeting of October 26, 2009, was called to order at 1:00 P.M. at the Frank J. Lausche Building, Fourth Floor Conference Room by Chairperson Allan C. Krulak.

**ROLL CALL**

The following members of the Commission answered present to the Roll Call: Jaladah Aslam, Paul M. Burens, Ernie Cade, Matthew Cox, Allan C. Krulak, Patrick McDonald, William N. Morgan and Rudy Stralka.

**INTRODUCTIONS**

Chairperson Krulak recognized first time attendees Andrea Hickman and Chrissy Neubauer from Northlich, Leslie Verral and Mike Hart from Hart Associates and Duane Miller from Hooven Dayton Corporation.

### APPROVAL OF MINUTES

Commissioner McDonald made a Motion for approval of the September 21, 2009 minutes. The Motion was seconded by Commissioner Cade. The Motion was affirmatively voted upon by all Commissioners present.

### DIRECTOR'S REPORT

- Director Burke recognized Susan Brahler, Sales Representative from Region 7, who is retiring after 32 years with the Ohio Lottery. The Director shared some comments from Sue's Supervisor, Gayle Jackson, describing Sue's tireless work during the gaming system conversion and the great example she set for others.
- The Director declared that September was a record month for Lottery sales and transfers to the Lottery Profits Education Fund and said that October is expected to show very positive results as well.
- The Director announced that during the week of October 5, 2009 during NASPL Meeting, an agreement had been reached between *Mega Millions* states and the states offering *Powerball* to allow states in both groups to offer the other's product. This means Ohio could begin offering *Powerball*. Lottery staff are in the process of doing due diligence. A preliminary report prepared in the spring by the Lottery's Office of Product Development indicates that offering *Powerball* would likely have a positive impact on both Lottery sales and profit transfers. The Governor's approval is required.
- The Ohio Lottery has received a Batchy award for best coordinated print campaign for its "Dreams" branding initiative based on ads used in various print media.

Commissioner Cox inquired as to whether *Powerball* or *Mega Millions* had a bigger payout. Director Burke replied there are more states offering *Powerball* than *Mega Millions*. She added the jackpots for *Powerball* start out at \$20 million as opposed to \$12 million for *Mega Millions*. The Director anticipates *Powerball* sales to be larger due to the larger number of players, jackpots building larger and the likelihood of more winners.

**APPROVAL OF FOUR (4) INSTANT GAME RULES IN PROPOSED FORM**

Ron Fornaro brought before the Commission four (4) Instant Game Rules for approval in Proposed Form. Mr. Fornaro presented the details of the game:

- Rule 3770:1-9-727, *Luck of the Irish Tripler* (\$1.00)
- Rule 3770:1-9-728, *Cash Frenzy* (\$2.00)
- Rule 3770:1-9-730, *Big Money* (\$10.00)
- Rule 3770:1-9-732, *Special Edition Cashword* (\$5.00)

Chairperson Krulak requested a Motion to approve the four (4) Instant Game Rules in Proposed Form. Commissioner Cade made a Motion that was seconded by Commissioner McDonald. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

**APPROVAL OF TWO (2) INSTANT GAME RULES IN FINAL FORM**

Ms. DeGeeter brought before the Commission two (2) Instant Game Rules for approval in Final Form. The rules were approved in Proposed Form at the September 21, 2009 Commission Meeting. The game rules are:

1. Rule 3770:1-9-725, *Valentine's Day Doubler* (\$1.00)
2. Rule 3770:1-9-726, *Funky 5's* (\$2.00)

Chairperson Krulak requested a Motion to approve the two (2) Instant Game Rules in Final Form. Commissioner Morgan made a Motion that was seconded by Commissioner Aslam. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

**MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 – NO CHANGE**

Ms. DeGeeter brought before the Commission four (4) Administrative Rules with no change for approval. No change rules do not need public hearings to be conducted by the OLC, but are still subject to the ninety (90) day jurisdiction of JCARR. The text for these Administrative Rules was provided to the Commissioners in the October 26, 2009 Commission Meeting material.

- Rule 3770:1-2-02, *Administrative Procedure Act*

- Rule 3770:1-2-03, *Adoption, Amendment or Rescission of Rules by the Commission*
- Rule 3770:1-2-04, *Actions by the Director*
- Rule 3770:1-2-05, *Licensing Decisions*

Chairperson Krulak requested a Motion to approve the four (4) Administrative Rules with no change. Commissioner Stralka made a Motion that was seconded by Commissioner McDonald. With no further discussion or public comment, the Motion was affirmatively voted upon by the Commissioners present.

#### **LEGAL COUNSEL REPORT, PAMELA DEGEETER, CHIEF LEGAL COUNSEL**

- Ms. DeGeeter informed the Commission that the Schafer System contract for lottery play centers was approved by the Controlling Board on October 19, 2009. Dennis Berg and Terri Tancredi attended the Controlling Board meeting on behalf of the OLC.
- Regarding the Jeff Green v. Ohio Lottery Commission litigation, the OLC has been informed by the Attorney's General Office that oral arguments will be heard on Wednesday, October 28, 2009. There are two pending matters in this case. The original case was dismissed for lack of subject matter jurisdiction. Mr. Green appealed that decision. This issue is the subject of the oral arguments. Mr. Green also re-filed his case in the Court of Claims. He had originally filed in the Court of Common Pleas. The OLC is being represented by the Attorney General's Office.

#### **COMMUNICATIONS REPORT, JEANNIE ROBERTS, DEPUTY DIRECTOR**

The Communications Report stands as written.

#### **FINANCE REPORT, DENNIS BERG, DEPUTY DIRECTOR**

- Mr. Berg reported that September 2009 ticket sales of \$185.2 million set an all time sales record for the month of September. The positive sales results were influenced by higher *Mega Millions* and instant ticket sales compared to last year.

- The financial activity allowed the Lottery to transfer nearly \$61 million to the Lottery Profits Education Fund. This exceeded transfers compared to original projections by \$8.6 million. This was also \$7.3 million higher compared to the actual transfer made last September. Year-to-date the Lottery has transferred \$170.3 million to the LPEF, which is \$9.3 million higher compared to transfer made to the LPEF through the same time period last year.
- Mr. Berg followed up with a slide presentation regarding the OLC's sales results by game.

Chairperson Krulak inquired about the level of activity the OLC foresees for the upcoming holidays. Mr. Berg replied that the holiday line up of games looks good. He added that the OLC hopes to sell out the holiday raffle. Commissioner Burens questioned the amount of activity on the Cleveland Browns scratch off ticket. Mr. Fornaro explained that the Cleveland Browns/Cincinnati Bengals tickets are selling as expected. More Cleveland Browns tickets have been sold than Cincinnati Bengals tickets. The first drawing has been held and the winners are beginning to receive their prizes. He commented that the father-daughter players who won a trip with the Cleveland Browns to the Pittsburgh game sent a letter thanking the OLC for the trip and expressed what a great time they had.

Commissioner Cox wanted to go on record noting that there was no media at today's meeting to report the continued record sales reported by the Ohio Lottery, unlike a few months ago when they were present to report the bad sales numbers.

#### **GENERAL SERVICES REPORT, TRACI PINKNEY, DEPUTY DIRECTOR**

Ms. Pinkney provided an update on the current number of KENO locations actively selling which is 1060. There are 56 applications currently pending approval. Another 12 locations are waiting for monitor installation and 69 locations are pending approval for a bond.

#### **INFORMATION TECHNOLOGY REPORT, ROMAN POPADIUK, NETWORK ADMINISTRATIVE SUPERVISOR**

The Information Technology Report stands as written.

**MARKETING SERVICES REPORT, MAUREEN HALL, ADMINISTRATIVE ASSISTANT**

- Ms. Hall discussed the new *Mega Millions* marketing campaign aimed at creating excitement at the lower jackpot levels. It's entitled "What Are You Waiting For?" Billboards around the state are being changed, online campaigns are also being started. There are a number of online banner ads, and a text option is being offered where a player can set up to receive reminders to play on Tuesdays and Fridays and receive the results of the drawings on Wednesday and Saturday mornings. A number of radio and TV spots will be activated to run at the \$80 million level. Select spots will be aired at different prize levels.
- Ms. Hall introduced the new holiday campaign "Making It Fun With Maggie." Maggie is a crafter whose five different TV spots show viewers how to use lottery products to make holiday gifts like wreaths, cards, stockings. Players can also go online for crafting instructions. Retailers will have point of sale posters and tear pads where instructions can be pulled off on how to make these craft projects. Maggie will also be attending different mall events across the state demonstrating her craft projects. Lottery tickets will be available for purchase at these events.
- The marketing holiday campaign will also include the New Years Raffle. In addition to posters, once the tickets go on sale, Marketing will use the digital network to display the number of days left to buy New Years Raffle tickets and how many tickets have been sold. Ads will also appear in the KENO shows.

**SALES MANAGEMENT REPORT, GWEN PENN, DEPUTY DIRECTOR, PRODUCT DEVELOPMENT**

The Sales Management Report stands as written.


**PRODUCT DEVELOPMENT REPORT, GWEN PENN, DEPUTY DIRECTOR**

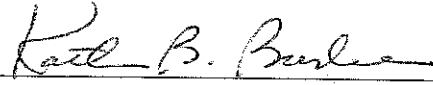
The Product Development Report stands as written.

**ADJOURNMENT**

Chairperson Krulak adjourned the meeting at 1:45 P.M.

Approved:

  
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Allan C. Krulak, Chairperson

  
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Kathleen B. Burke, Secretary