



**THE OHIO LOTTERY COMMISSION**

**MEETING MINUTES**

**JULY 10, 2019  
12:00 P.M.**

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

Members of the Commission:

James Brady  
John F. Lewis  
Angela M. Mingo  
Martin J. Sweeney  
Sean A. Whalen

Director and Staff of the Ohio Lottery Commission:

Pat McDonald, Executive Director  
Sean Webster, Assistant Director, Operations and Administration  
Nicole Kostura, Assistant Director, Sales and Marketing  
Michael Gonzalez, Deputy Director, Product Development and Analytics  
Constance Miller, Deputy Director, Operations  
Charles LoPresti, Chief Legal Counsel  
Daniel Carter, Deputy Chief Legal Counsel  
Christine Jasica, Paralegal  
Greg Bowers, Deputy Director, Finance  
Sandy Lesko-Sabbath, Deputy Director, Marketing Communications  
Danielle Frizzi-Babb, Deputy Director, Communications  
Marie Kilbane Seekers, Office of Communications  
Maureen Hall, Interim Deputy Director, Information Technology  
Jon Dillinger, Deputy Director, General Services  
Liz Popadiuk, Deputy Director, Human Resources  
Richard Perk, Deputy Director, Sales Management  
Martin Morrow, Assistant Deputy Director, Sales Management  
Ron Fornaro, Instant Ticket Product Manager  
Nick Ciofani, Chief Legislative Officer, Government and Community Relations  
Carla Tricarichi, Deputy Director, Public Policy  
Karen Russo, Office of Public Policy  
Simeonia Mays, Interim Deputy Director, Security  
Greg Beyers, Deputy Director, Internal Audit  
Percy Turner, Supervisor, Licensing & Bonding



Also Present Were:

Ed Dick, Jack Thistledown  
Allie Evangelista, Penn National  
John Walker, Scioto Downs  
Jamie Brown, MGM Northfield Park  
John Oberle, Ice Miller  
Scott Shaffer, JACK Thistledown  
David Evans, Marcus Thomas LLC

**CALL TO ORDER, PLEDGE OF ALLEGIANCE & ROLL CALL**

Chairman Whalen called the meeting of the Ohio Lottery Commission to order at 12:08 p.m. in the Central Office of the Ohio Lottery Commission, 4<sup>th</sup> floor conference room, located at 615 W. Superior Avenue, Cleveland, Ohio.

After the Pledge of Allegiance to the Flag, attendance was taken, and a quorum was present.

**APPROVAL OF MINUTES OF JUNE 12, 2019**

Chairman Whalen presented to the Commission the minutes from the June 12, 2019 meeting. Commissioner Lewis made a motion that was seconded by Commissioner Sweeney. The motion was affirmatively voted upon by all Commissioners present.

**CHAIRMAN'S COMMENTS**

Chairman Whalen congratulated the entire Ohio Lottery staff for a record-breaking year and the \$1.15 billion transferred to the Lottery Profits Education Fund.

Chairman Whalen introduced Greg Beyer, the new Deputy Director of Internal Audit. The Chairman added that the Audit Committee met earlier, along with Intralot staff and the Assistant Directors, to set some expectations for the future.

**APPROVAL OF THREE INSTANT GAME RULES IN PROPOSED FORM**

Ron Fornaro, Instant Ticket Product Manager, presented to the Commission four Instant Game Rules for approval in Proposed Form:

- Rule 3770:1-9-544, *Cool 7's Tripler* (\$1.00)
- Rule 3770:1-9-545, *Snow Me the Money!* (\$3.00)
- Rule 3770:1-9-546, *Winter Winnings* (\$5.00)
- Rule 3770:1-9-547, *Money* (\$20.00)



Commissioner Brady moved to approve the Rules as presented, in Proposed Form, with Commissioner Lewis offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **APPROVAL OF INSTANT GAME RULES IN FINAL FORM**

Charles LoPresti, Chief Legal Counsel, presented to the Commission four Instant Game Rules for approval in Final Form:

- Rule 3770:1-9-539, *Holiday Multiplier* (\$2.00)
- Rule 3770:1-9-540, *Twelve Elves HD* (\$3.00)
- Rule 3770:1-9-542, *Happy Holidays* (\$10.00)
- Rule 3770:1-9-543, *Merry Millions* (\$20.00)

Commissioner Sweeney moved to approve the Rules as presented, in Final Form, with Commissioner Lewis offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **APPROVAL OF AMENDMENTS TO ADMINISTRATIVE RULE IN FINAL FORM**

Mr. LoPresti presented to the Commission for approval one Amended Administrative Rule in Final Form:

- Rule 3770:2-3-05, *Video lottery licenses; suspension or revocation.*

Commissioner Brady moved to approve the Rule in Final Form, with Commissioner Sweeney offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 - AMENDMENT**

Mr. LoPresti presented to the Commission for approval one Amended Administrative Rule based on the Mandatory Rule Review pursuant to Chapter 119, in Final Form:

- Rule 3770-3-01, *Lottery sales agent; suspension or revocation.*

Commissioner Lewis moved to approve the Amended Rule, as presented, in Final Form with Commissioner Mingo offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **RESOLUTION TO APPROVE TOUCH & WIN EZPLAY® GAME THEME**

Mr. LoPresti offered a Resolution to approve one Touch & Win EZPLAY® game theme:

- *Party Zone*





Commissioner Sweeney moved to approve the Resolution with Commissioner Lewis offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

**RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES**

Mr. LoPresti offered a Resolution to approve thirty-eight Video Lottery Game Themes.

Commissioner Lewis moved to approve the Resolution with Commissioner Brady offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

**FINANCIAL REPORT**

Greg Bowers, Deputy Director, Finance, provided the Commission a financial update for the month of June 2019.

Total traditional ticket sales for June were \$263.4 million, \$11.1 million, or 4.4% more than sales recorded last June.

During the month of June, VLT gross gaming revenue was \$91.1 million. Net profit was \$29.5 million, \$1.0 million greater than last year.

Because of the year-end deadlines of transferring cash to the Lottery Profits Education Fund, the Lottery only transferred profits from traditional lottery games, which amounted to \$53.8 million. Like last year, profits from VLT operations earned in June will be transferred this week. And counted toward the current fiscal year and not last year.

Mr. Bowers also discussed the unofficial Fiscal Year 19 sales. Traditional sales for FY were a record \$3.36 billion, \$200.3 million, or 6.3% more total sales than last year. Draw-based game sales up \$138.2 million. Daily Draw games, consisting of Pick 3, Pick 4, and Pick 5 were up \$29.4 million. Multi-state jackpots games were up \$67.5 million. Keno sales were a record-setting \$453.9 million, up \$32.7 million. Instant tickets were \$1.66 billion, up \$62.0 million or nearly 4% over last year. Gross gaming revenue from VLT's were \$1.06 billion, up \$71.3 million over last year. As a result, proceeds for the Lottery Profits Education Fund were \$1.15 billion, \$60.3 million more than our commitment.

Mr. Bowers discussed some of the reasons attributed to the successful year and thanked employees, vendors, the Executive Director and the Commission for their support.



## **NEW BUSINESS/ EXECUTIVE DIRECTORS COMMENTS**

Executive Director McDonald asked Greg Bowers to provide an update on the budget. The Am. Sub H.B. 166 for the 20/21 biennium budget was not passed as of June 30<sup>th</sup>, but instead an interim budget bill S.B. 171 was enacted and allows the government to stay open during the bill period, which is 17 days.

The Executive Director recognized Sandy Lesko-Sabbath who provided an overview of this year's holiday campaign. Multiple questions were asked about the upcoming campaign.

Chief Legal Counsel Chuck LoPresti informed the Commission that the Ohio Lottery prevailed in the Intralot/CSP lawsuit initiated by Intralot against DAS in Feb 2017 after they were not awarded a contract following the RFP process. The Judge found in our favor on all counts and Intralot did not appeal.

Executive Director McDonald asked Nicole Kostura to provide an update on the CSP conversion. She reported that effective July 1, 2019, the Ohio Lottery has converted the handling of scratch off tickets, warehousing and distribution to Scientific Games. The transition should be completed within the next two weeks.

The Executive Director stated that the iLottery RFP is moving forward quickly. Danny Bogus, former Director of iLottery in Michigan, assisted with the technical aspects of the RFP. Maureen Hall informed the Commission that the timeframe included releasing the RFP at the end of next week, awarding the contract by the beginning of October, and launching by July 1, 2020. Executive Director McDonald announced that Maureen Hall will transfer to head iLottery solely after the contract has been awarded.

Executive Director McDonald asked Sean Webster for an update on the Innovate Ohio initiative. Mr. Webster reported that a meeting with Lt. Governor Husted has been set for July 24, 2019 to discuss the work the Lottery has done with this program. He will provide a report on the meeting at the August Commission meeting.

Executive Director McDonald introduced Nick Ciofani as the Deputy Director of Governmental Services and Legislation and Percy Turner as the new Licensing and Bonding Manager.

## **ADJOURNMENT**

With no further business before the Ohio Lottery Commission, Chairman Whalen adjourned the meeting at 12:45 p.m.



*Pat McDonald*

Pat McDonald, Executive Director

Approved:

*Sear Whalen*

Sear Whalen, Chairman