



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

MAY 11, 2022

VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman
James Brady, Vice Chairman
Nita Gupta
Jonathon Hughes
Angela Mingo (not present-excused)
Mark Rickel
Martin Sweeney
Matthew Szollosi

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
Charles LoPresti, Chief Legal Counsel, Office of Legal Counsel
Greg Bowers, Deputy Director, Office of Finance
Terri Jones, Administrative Assistant, Executive Office
Nick Ciofani, Deputy Director, Office of Government & Community Affairs
Collin Sheehy, Executive Assistant to the Director
Ron Fornaro, Scratch Off Ticket Product Manager, Office of Product Development
Tom Ackerman, Deputy Director, Office of Marketing
Greg Beyer, Deputy Director, Office of Internal Audit
Danielle Frizzi Babb, Deputy Director, Office of Communications
Daniel Carter, Legal Counsel, Office of Legal Counsel
Susan Diamond, Video Lottery Regulator, Office of Operations
Jon Dillinger, Lottery Sports Gaming Project Manager
Raymond Durant, Deputy Director, Office of Security
Michael Gonzalez, Deputy Director, Office Product Innovation
Marie Kilbane-Seckers, Public Information Officer, Office of Communications
Connie Miller, Deputy Director, Office of Operations
Marty Morrow, Deputy Director, Office of Sales

Carla Reeves, Administrative Assistant, Office of Internal Audit
Hurst Talbott, Project Manager, Office of Product Innovation
Simone Mays, Deputy Director, Video Lottery Operations, Office of Operations
Scott Frost, Video Lottery Regulator, Office of Operations
Sandy Lesko Sabbath, Deputy Director, Office of Marketing
Scott Basom, Office of Security
Percy Turner, Deputy Director, Office of General Services

Additional Attendees

Steven Berk, Giant Eagle
Matthew Block, Scientific Games
Ed Dick, Compliance Manager, JACK Thistledown Racino
Phil Johnston, Marcus Thomas, LLC
Larry King, IGT
Nora Larson
Shelly Miller, Compliance Manager, MGM Northfield Park
Alissa Naylor, BetMGM
Debbie Pirone, Marcus Thomas, LLC
216-324-4116

CALL TO ORDER

Chairman Blair called the meeting of the Ohio Lottery Commission to order at 12:00 p.m. The meeting was held via teleconferencing.

ROLL CALL

The following members of the Commission answered present to Roll Call: Matthew Blair, James Brady, Nita Gupta, Jonathan Hughes, Mark Rickel, Martin Sweeney, Matthew Szollosi.

APPROVAL OF MINUTES OF APRIL 13, 2022

Chairman Blair presented to the Commission for approval the minutes from the April 13, 2022, meeting. Commissioner Szollosi made a Motion to Approve the minutes, seconded by Commissioner Sweeney. The Motion was affirmatively voted upon by the seven Commissioners present.

APPROVAL OF FOUR (4) SCRATCH-OFF GAMES IN PROPOSED FORM

Mr. Charles LoPresti, Chief Legal Counsel, presented before the Commission four (4) Scratch-Off Games in Proposed Form.

- ✦ Rule 3770:1-9-735, *My Lucky Day* (\$1,00)
- ✦ Rule 3770:1-9-737, *Ghostbusters™* (\$2.00)

- ✦ Rule 3770:1-9-738, *The Price Is Right*[™] (\$5.00)
- ✦ Rule 3770:1-9-740, *Bingo Times 50* (\$10.00)

Chairman Blair moved to approve the Game Rules as presented in Final Form, with Commissioner Gupta offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF SIX (6) VOLUNTARY EXCLUSION PROGRAM RULES IN PROPOSED FORM

Mr. LoPresti presented before the Commission six (6) Administrative Rules in Proposed Form.

- ✦ Rule 3770:2-8-01, Scope and Purpose of the Voluntary Exclusion Program
- ✦ Rule 3770:2-8-02, Application to participate in the Ohio Voluntary Exclusion Program
- ✦ Rule 3770:2-8-05 Removal from Ohio Voluntary Exclusion Program
- ✦ Rule 3770:2-8-06, Responsible Gambling Plan
- ✦ Rule 3770:2-8-07, Prior Voluntary Exclusions

Chairman Blair moved to approve the Six (6) Voluntarily Exclusion Program Rules as presented in Proposed Form, with Commissioner Brady offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present

RESOLUTION TO APPROVE OF ONE (1) EZPLAY® GAME THEME IN FINAL FORM

Mr. LoPresti presented before the Commission One (1) EZPLAY® Game Theme.

- ✦ Rule 3770:1-9-966 *Battleship*[™] (\$2.00)

Chairman Blair moved to approve the resolution to approve one EZPLAY® Game Theme, with Commissioner Rickel offering a second to the Motion. The Motion was affirmatively voted upon by the seven Commissioners present.

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Mr. LoPresti presented a Resolution to approve 40 Video Lottery Game Themes.

Chairman Blair moved to approve the Resolution, with Commissioner Sweeney offering a second to the Motion. The Motion was affirmatively voted upon by the seven Commissioners present.

FINANCIAL REPORT

Office of Finance Deputy Director Greg Bowers provided to the Commissioners a financial update for the month of April 2022

- ✦ Sales from Traditional Lottery games for the month of April were \$374.5 million, which is a 9.8% decrease from last year's record setting month.
- ✦ VLT revenue was \$122.7 million. Lottery share of the revenue was \$41.1 million and net profit equaled \$40.0 million.

- ✦ Total prize expense equaled 67.2 % of sales.

DIRECTOR REMARKS

Director McDonald informed the commissioners that the transfer to the Ohio Lottery Profits and Education Fund for the month of April was \$117.5 million. This is \$18.7 million less than last year, however, year to date we are still up \$62.4 million over last year, and \$141 million over our commitment.

The racinos combined brought in \$122.7 million, down \$1.8 million from April 2021 which was a breakout year after they reopened after the initial Covid-19 shutdown.

Lottery Sports Gaming

The Lottery has been working diligently since House Bill 29's passage to ensure the program will be operational on or before the universal start date established by the legislation. The legislation allows the Lottery to work with the Ohio Casino Control Commission to develop the rules, standards, and operating procedures for the type C sports gaming program. This collaborative effort has also included feedback from the public and key stakeholder groups as well as discussions with several jurisdictions regarding best practices and lessons learned from previous implementations. To date, the Lottery has issued three batches of rules related to type C hosts, type C proprietors, and updates to the Ohio Voluntary Exclusion Program. The final batch of rules will be issued for the public comment early next week. These rules are complementary to those issued by the OCCC. A stakeholder meeting will be held specifically for prospective type C proprietors on May 16th.

The Lottery will expedite the implementation of the type C sports gaming by pre-qualifying eligible host locations for licensure by the OCC. The legislation requires host locations to receive the Lottery's formal recommendation in order to be licensed. While the OCCC will not begin accepting host applications until July 15, the Lottery has launched a pre-qualification portal for interested retailers to apply. This online portal launched today and over 2,000 eligible retailers received an email describing the program including a link to express interest. All applicants who meet the pre-qualification requirements will receive a formal recommendation from the Lottery once the OCCC's licensing process begins.

The Director introduced Jon Dillinger, the new Lottery Sports Gaming Project Manager, for more details regarding the implementation timeline.

Director McDonald also discussed with the commissioners the Request For Information (RFI) issued in April. The Lottery issued an RFI for vendors to share their ability to deliver a central monitoring system or "CMS". The CMS monitors and records all transactions on the video lottery terminals at the racinos and is used by staff to ensure that racino operations are in compliance with our laws, rules, and procedures. Responses to the RFI are due by Thursday May 26, and vendors will be able to provide a virtual presentation to Lottery staff between June 14 and June 17.

Director McDonald announced the recent promotion of Mr. Percy Turner as the new General Services Deputy Director. Mr. Turner previously managed the Licensing and Bonding department which is a division inside the General services Department.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Commissioner Brady informed Commissioners that the next meeting will be held on Wednesday, June 8, 2022, at 12:00 p.m. via teleconferencing and in person by invitation.

Respectfully Submitted,

A handwritten signature in blue ink that reads "Pat McDonald". The signature is written in a cursive style with a large initial "P".

Pat McDonald, Executive Director

A handwritten signature in blue ink that reads "Matthew Blair". The signature is written in a cursive style with a large initial "M".

Matthew Blair, Commission Chair