



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

FEBRUARY 9, 2022

IN PERSON / TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman (Not Present)

James Brady, Vice Chairman

Nita Gupta

Jonathon Hughes

Angela Mingo

Mark Rickel

Martin Sweeney

Matthew Szollosi – via Teams

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

Rick Perk, Deputy Director, Office of Sales

Collin Sheehy, Executive Assistant to the Director

Ron Fornaro, Scratch Off Ticket Product Manager, Office of Product Development

Greg Beyer, Deputy Director, Office of Internal Audit

Tom Spayd, Senior Video Lottery Regulator, Office of Video Lottery

Simeonia Mays, Deputy Director, Office of Video Lottery

Danielle Frizzi Babb, Deputy Director, Office of Communications

Scott Frost, Video Lottery Regulator, Office of Video Lottery

Carla Reeves, Administrative Assistant, Internal Audit

Connie Miller, Deputy Director, Operations

Marie Kilbane-Seckers, Public Information Officer, Communications

Marty Morrow, Deputy Director, Office of Sales
Susan Diamond, Video Lottery Regulator, Operations
Tom Ackerman, Deputy Director, Marketing
Elizabeth Alex, Deputy Director, Human Resources
Sandy Lesko Sabbath, Deputy Director, Marketing
Raymond Durant, Deputy Director, Security
Ken Dauenhauer, Marketing
Maureen Hall, Deputy Director, Information Technology
Jon Dillinger, Deputy Director, General Services
Marie Kilbane Seckers, Marketing
Michael Gonzalez, Deputy Director, Product Innovation
Sharisse Russell, Operations
Karen Russo, Deputy Director, Responsible Gambling

Additional Attendees via Teams /phone

Andy Ashby, JACK Entertainment
Steven Berk
Matthew Block
Mike Buzzelli, PGNO
Kevin Davis, Hollywood Gaming Dayton
Ed Dick, Compliance Manager, JACK Thistledown Racino
Dustin Ensinger, Gongwer News
Cindy Klatt, OBM, State of Ohio
Nora Larson, Recovery Resources
Kathleen Lenhardt, Hollywood Gaming Mahoning Valley
Jim Nash, CEO, Marcus Thomas, LLC
John Oberle, Ice Miller LLC
Sarah O'Driscoll, Fahlgren Mortine Advertising
Debbie Pirone, Marcus Thomas, LLC
Justin Remschneider, Boyd Gaming
Craig Robinson, Miami Valley Gaming
Charles Scannella, Scientific Games
614-314-4660
614-639-5942

CALL TO ORDER

Commissioner Brady called the meeting of the Ohio Lottery Commission to order at 12:00 p.m. The meeting was held via teleconferencing and in person by invitation only.

ROLL CALL

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

ELECTION OF 2022 OFFICERS

Director McDonald called for nominations for the 2022 Commission Chair. Commissioner Mingo nominated Chairman Matthew Blair for Chair. Commissioner Sweeney seconded the nomination. Director McDonald nominated James Brady for Vice Chair. Commissioner Hughes second the nomination.

APPOINTMENT OF AUDIT COMMITTEE MEMBERS, AUDIT CHAIR AND RECOGNITION OF ADDICTION SERVICES LIAISON

Commissioner Brady recognized Commissioner Mingo and Commissioner Sweeney for their service to the Audit Committee in 2021 and requested their interest in continued service in 2022. Commissioner Mingo agreed to serve as Chair of the Audit Committee in 2022 and Commissioner Sweeney agreed to serve as a member of the Audit Committee in 2022. Commissioner Brady appointed Angela Mingo as Chairwomen of the Audit Committee, and Martin Sweeney and Matthew Szollosi as the second and third members of the committee.

Commissioner Brady recognized Commissioner Hughes as Addiction Services Liaison.

APPROVAL OF MINUTES OF JANUARY 12, 2022

Commissioner Brady presented to the Commission for approval the minutes from the January 12, 2022, meeting. Commissioner Mingo made a Motion to Approve the minutes, seconded by Commissioner Sweeney. The Motion was affirmatively voted upon by the seven Commissioners present in person.

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

Mr. Ronald Fornaro, Scratch-Off Project Manager presented before the Commission four (4) Scratch-Off Games in Proposed Form.

- ✦ Rule 3770:1-9-718, Match to Win (\$1.00)
- ✦ Rule 3770:1-9-719, 7's Series (\$2.00)
- ✦ Rule 3770:1-9-720, Plus the Money (\$5.00)
- ✦ Rule 3770:1-9-721, Mega Cash (\$20.00)

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

RESOLUTION TO APPROVE TWO (2) TOUCH & WIN EZPLAY® TAP GAME THEMES

Mr. Charles LoPresti, Chief Legal Counsel presented before the Commission Two (2) Touch & Win EZPLAY® Tap Game Themes

- ✦ *Solid Gold Bingo (March Tap Game)*
- ✦ *Bonus Line Bingo (April Touch and Win)*

Commissioner Brady moved to approve the Game Rules as presented in Proposed Form, with Commissioner Mingo 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 30 New Video Lottery Game Themes.

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

FINANCIAL REPORT

Office of Finance Deputy Director Greg Bowers provided to the Commissioners a financial update for the month of December 2021.

- Total sales from Traditional Lottery products equaled \$358.8 million, which was 18.7% decrease than the sales generated last January.
- VLT revenue –GGR for the month of \$95.6 million- Our share of that revenue was 32 million, and after considering operating costs, net profit equaled \$31.1 million, which was 8.1% more than last year.
- January total prize expense expressed as a percent of sales equaled 67.6%, which a high for the year. Prize Expenses for scratch off tickets were higher than other months. This is typical in January when a proportion of scratch off tickets purchased as gifts for Christmas in December are cashed in January
- Total profits transferred to the LPEF for the month of January equaled \$111.4 million. This was \$11.9 million more than budgeted, and \$20.5 million less than last year.

NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Director McDonald informed the Commissioners that total profits transferred to the LPEF for the month of January equaled \$111.4 million. This was \$11.9 million more than budgeted, and \$20.5 million less than last year.

A large portion of that deficit was due to the record setting Jackpot levels last year, with Mega Millions reaching \$1.05 billion.

On a positive note, for the year, total profits are now \$94.2 million ahead of our forecast through January, and \$84.8 million more than last year.

Director McDonald gave an update on Gaming System Consulting RFP. Three bids were received. Bidders included Advizex Technologies, Gaming Laboratories International and Spectrum Gaming Group. The evaluation process is on-going and we hope to have a selected vendor and have a contract in place by the end of February.

On Wednesday February 16th our mobile cashing feature on the MyLotto Rewards app will be updated to allow players to cash winning tickets up to \$25,000. This is a \$20,000 increase compared to the current level. The Lottery is still on pace to implement the new state tax withholding requirement from House Bill 29 on the March 23rd effective date. As part of this update, we will also increase the cashing limit at our nine regional offices and seven racino locations to \$25,000, mirroring the mobile cashing limit. The current limit for these locations is also, \$5,000.

The 19th Annual Ohio Problem Gambling Conference kicked off virtually at the end of January. The Conference will take place with a day session in Columbus on February 24th. Thank you to Commissioner Hughes who will be participating on the 24th along with several other employees. March is Problem Gambling Awareness Month. Director McDonald has invited Director Lori Criss from the Department of Mental Health & Addiction Services to join the March Commission meeting to provide an update on our collaboration through the Ohio for Responsible Gambling consortium. Director Criss and Director McDonald will continue communications through quarterly meetings amongst ourselves and other key staff.

Ohio Lottery's Sports Gaming web page is now live at <https://www.ohiolottery.com/Sports-Gaming>. The page is being updated as new information is released, but as of now, you can find information regarding House Bill 29, Type C Proprietors, frequently asked questions, and a direct path to contact the lottery for any questions people or organizations may have. This web page will continue to develop into a frequently used resource, providing a litany of knowledge regarding Sports Betting.

Sandy Lesko, Deputy Director of Marketing gave a brief presentation on what happens behind the scenes of the marketing department and organization structure.

Tom Ackerman, Assistant Director of Marketing provided a summary of the Lottery Holiday Marketing Campaign successes from 2021.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Commissioner Brady informed Commissioners that the next meeting will be held on Wednesday, March 9, 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