



THE OHIO LOTTERY COMMISSION  
MEETING MINUTES  
JULY 13, 2022  
IN PERSON/VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman (Not Present)  
James Brady, Vice Chairman  
Caryn Candisky  
Nita Gupta  
Jonathan Hughes (Not Present)  
Angela Mingo  
Mark Rickel  
Martin Sweeney  
Matthew Szollosi (Not Present)

Director and Staff of the Ohio Lottery Commission attending in person

Pat McDonald, Executive Director  
Sean Webster, Assistant Director, Operations and Administration  
Nicole Kostura, Assistant Director, Sales and Marketing  
Collin Sheehy, Executive Assistant to the Director  
Terri Jones, Administrative Assistant, Executive Office  
Greg Bowers, Deputy Director, Office of Finance  
Ron Fornaro, Scratch Off Ticket Product Manager, Office of Product Development  
Nick Ciofani, Deputy Director, Office of Government & Community Affairs  
Charles LoPresti, Chief Legal Counsel  
Barry Riley, Producer, Cash Explosion  
James Carothers, Assistant Producer, Cash Explosion  
Karen Russo, Deputy Director, Office of Responsible Gaming

Lottery Staff participating remotely

Chelsea Andorka, Sports Gaming Proprietor Coordinator, Office of Sports Gaming  
Scott Basom, Office of Security

Marilyn Berrios, Office of Security  
Greg Beyer, Deputy Director, Office of Internal Audit  
Daniel Carter, Legal Counsel, Office of Legal Counsel  
Ken Dauenhauer, Office of Marketing  
Susan Diamond, Office Responsible Gambling  
Jon Dillinger, Lottery Sports Gaming Project Manager  
Raymond Durant, Deputy Director, Office of Security  
Danielle Frizzi Babb, Deputy Director, Office of Communications  
Scott Frost, Video Lottery Regulator  
Michael Gonzalez, Deputy Director, Office Product Innovation  
Maureen Hall, Deputy Director, Office of Information Technology  
Sandy Lesko Sabbath, Deputy Director, Office of Marketing  
Ian Litherland, Sports Gaming Proprietor Coordinator  
Simeonia Mays, Deputy Director, Video Lottery Operations  
Angela McCracken, Sports Gaming Proprietor Coordinator  
Connie Miller, Deputy Director, Office of Operations  
Marty Morrow, Deputy Director, Office of Sales  
Kara Rasmussen, Office of Legal Counsel  
Carla Reeves, Office of Internal Audit  
Sharisse Russell, Office of Operations  
Tom Spayd, Senior Regulator, Video Lottery Operations  
Nick Stadler, Office of General Services  
Hurst Talbott, Project Manager, Office of Product Innovation  
Percy Turner, Deputy Director, Office of General Services

Additional Attendees

Steven Berk, Giant Eagle  
Matthew Block, Scientific Games  
Ed Dick, JACK Thistledown Racino  
Thomas Garcia, Arrow International  
Nora Larson, Recovery Resources  
Kathleen Lenhart, Hollywood Gaming at Mahoning Valley  
Larry King, IGT  
Colleen Rowan, IGT  
Alissa Naylor, Bet MGM  
Sarah O'Driscoll, Fahlgren Mortine  
Debbie Pirone, Marcus Thomas, LLC  
Sam Porter, ICE Miller, LLC  
John Walker, Eldorado Scioto Downs

## CALL TO ORDER AND PLEDGE OF ALLEGIANCE

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

## ROLL CALL

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

## INTRODUCTION OF NEW COMMISSIONER

Vice Chairman Brady recognized the Lottery's newly appointed Commissioner Caryn Candisky. Commissioner Candisky introduced herself to the Commission and gave a brief overview about her career and background.

## APPROVAL OF MINUTES OF JUNE 8, 2022

Vice Chairman Brady presented to the Commission for approval the minutes from the June 8, 2022, meeting. Commissioner Rickel made a motion to approve the minutes, seconded by Commissioner Mingo. The motion was affirmatively voted upon by the six Commissioners present.

## INTERNAL AUDIT UPDATE

Audit Committee Chair Angela Mingo gave an update on the Internal Audit Committee. During the June meeting the Audit Committee reviewed and approved the annual governance documents for Fiscal Year 2023. These include the Audit Committee Charter; Internal Audit Charter; Internal Audit Policy and Procedure Manual; and the Lottery Audit Plan. For the Fiscal Year 2023 Audit Plan, projects of note that will be undertaken include assurance reviews on our Lottery Data Centers, Super Retailers, Lottery Deposit Program, Fixed Asset Inventory Processes, and our Scratch-Off games printing contracts.

The Audit Committee discussed the results of the Pick Games Drawing Audit. The objectives of this audit were to assess the physical controls over the draws, managements oversight of the draws, and asses the effectiveness of the controls over the draw process. Audit Committee Chair Mingo informed the Commission that all these objectives were well controlled, and there were no issue recommendations.

Additionally, OBM-Internal Audit shared the results of their Assurance Review on the work of our Internal Audit team. This annual project reviews our audit work, ensuring we meet certain principles established by the Institute of Internal Auditors, allowing OBM to leverage and rely

upon our work. The Lottery is pleased to report that OBM determined that our Internal Audit group does abide by these principles and can be relied upon as an internal audit assurance provider.

#### APPROVAL OF FOUR (5) SCRATCH-OFF GAMES IN PROPOSED FORM

Ron Fornaro, Scratch-Off Ticket Product Manager, presented before the Commission five (5) Scratch-Off games in Proposed Form.

- ✦ Rule 3770:1-9-751, Frosty the Doughman (\$1.00)
- ✦ Rule 3770:1-9-752, Winter Winnings (\$2.00)
- ✦ Rule 3770:1-9-753, \$150,000 Winter Spectacular (\$5.00)
- ✦ Rule 3770:1-9-754, Holiday Countdown (\$10.00)
- ✦ Rule 3770:1-9-755, Electric 7's (\$20.00)

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

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

Charles LoPresti, Legal Counsel, presented before the Commission four (4) scratch-off games in Final Form.

- ✦ Rule 3770:1-9-743, Betty Boop™ (\$2.00)
- ✦ Rule 3770:1-9-744, Peppermint Payout Multiplier (\$3.00)
- ✦ Rule 3770:1-9-749, Holiday 50X The Money (\$10.00)
- ✦ Rule 3770:1-9-750, \$1,000,000 Merry Multiplier (\$20.00)

Vice Chairman Brady moved to approve the four (4) scratch-off games in Final Form, with Commissioner Sweeney 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 presented a Resolution to approve 27 Video Lottery Game Themes for inclusion in the video lottery game theme library.

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

#### FINANCIAL REPORT

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

Sales from Traditional Lottery games for month of June, the last month of the fiscal year were \$330.1 million, which was a 6.2% decrease from last year's record setting June.

Scratch-off games sales fell; however, most other lotteries are experiencing the same downward trend.

Draw game sales fell 3.2%, despite an increase in sales from Classic Lotto as well as the multistate jackpot games. Classic Lotto was up 25.4% over last year due to a higher jackpot.

The multi-state jackpot games fared better during June, as the jackpots were both over \$300 million while last year, they were below \$100 million.

Gross Gaming Revenue from VLTs for the month was \$107.7 million. Net profit from that equaled \$35.2 million, which was \$1.5 million less than last year.

Deputy Director Bowers gave an overview of the Fiscal Year 22 relative to Fiscal Year 21.

The Finance Department is working on incorporating Sports Gaming into their financial reporting process.

Director Bowers will be attending the upcoming NASPL conference where he will give a presentation on our advanced cashing process.

#### DIRECTOR REMARKS

The Director introduced Barry Riley, Producer of Cash Explosion. Mr. Riley provided an overview and update about the Cash Explosion Show at the State Fair and some opportunities for the Commissioners to participate. The logistics for the event will be finalized and sent to the Commissioners with more details to follow,

The Director informed the Commission that for the month of June, the Lottery transferred \$82.2 million to the LPEF, representing profits from traditional lottery products only.

The total transfer was \$11.9 million dollars more than our budgeted commitment for the month. For the Fiscal year, which ended June 30<sup>th</sup>, total transfers to the LPEF for the year were \$1.4 billion, which was \$171.4 million more than our annual commitment, and \$46.4 million more than last year. Our annual commitment as specified in the biennium budget for FY '23 is \$1.263 billion.

Assistant Director Nicole Kostura gave an overview highlighting some of traditional sales milestones that helped achieve the record profits last year. This included scratch-off game category achieving the 2<sup>nd</sup> highest sales in Ohio Lottery history, record Keno growth, and the cross-collaborative efforts of lottery staff and vendors to enhance product offerings and the player experience.

The Commissioners were also informed about the interactive art pieces that will be debuted at the Ohio State Fair. There will be five statues that highlight our impact in the community, retailers, education, and players via winning experiences. Each statue will be placed around the fairgrounds for participants to scan a QR code. After scanning all five participants will be entered in a raffle for a chance to win \$1,000.

Marketing Deputy Director Sandy Lesko Sabbath shared with the Commission the upcoming commercial Battleship EZ Play and Scratch – Off tickets. Deputy Director Lesko also gave a high-level overview of the upcoming holiday campaign. She will present more information on the holiday strategy at a future meeting.

Sports Gaming Operations Manager Jon Dillinger gave a status update his department's work and progress to implement lottery sports gaming.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Vice Chairman Brady informed Commissioners that the next meeting will be held on Wednesday, August 10, 2022, at 12:00 p.m. via teleconferencing and in person.

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