



**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**

**AUGUST 21, 2017
12:00 P.M.**

Present at the meeting were the following:

Members of the Commission:

James Brady
John Lewis
Trevor McAleer
Patrick McDonald
Angela Mingo
William Morgan
Elizabeth Vaci
Sean Whalen

Executive Staff of the Commission:

Dennis Berg, Director
Greg Bowers, Deputy Director, Finance
Danielle Frizzi-Babb, Deputy Director, Communications
Steve Kmiotek, Interim Deputy Director, General Services
Nicole Kostura, Deputy Director, Government and Community Relations
Sandy Lesko Sabbath, Deputy Director, Marketing Communications
Constance Miller, Deputy Director, Operations
Lawrence Miltner, Chief Legal Counsel
Michael Petro, Deputy Director, Information Technology
Liz Popadiuk, Deputy Director, Human Resources
Carla Tricarichi, Deputy Director, Public Policy
Jennifer Wilson, Deputy Director, Internal Audit
Traci Konesky, Assistant to the Director

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Also Present Were:

Ron Fornaro, Instant Ticket Product Manager
Karen Russo, Office of Public Policy
Mike Gonzalez, Office of Finance
Marie Kilbane Seckers, Office of Communications
Rebecca McLemore, Office of Communications
Anitra Curry, Game Show
JC Carothers, Game Show
Ken Dauenhauer, Game Show
Gabriel Ball, Game Show
John Walker, Scioto Downs
Tony Frabbiele, Hollywood Gaming, Mahoning Valley
Kathy Lenhardt, Hollywood Gaming, Mahoning Valley
Duane Miller, Hooven-Dayton
Kyle Wentz, Hard Rock Rocksino
Ed Dick, JACK Thistledown
John Oberle, Penn Gaming

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

- The Ohio Lottery Commission (“OLC”) meeting of August 21, 2017, was called to order at 12:04 P.M. at the Frank J. Lausche Building, Fourth Floor Conference Room by Chairman Pat McDonald, followed by the Pledge of Allegiance.

ROLL CALL

- The following members of the Commission answered present to the Roll Call: James Brady, John Lewis, Trevor McAleer, Pat McDonald, Angela Mingo, William Morgan, and Sean Whalen. Elizabeth Vaci arrived following Roll Call at 12:11 P.M.

INTRODUCTION OF FIRST TIME ATTENDEES

- Chairman McDonald recognized first time attendee Gabriel Ball from the OLC’s Game Show Bureau.

COMMISSION RE-APPOINTMENT

- Mr. Miltner swore in Commissioner Brady, Commissioner Mingo and Commissioner Whalen who were re-appointed for terms ending August 1, 2020.

APPROVAL OF MINUTES OF JULY 17, 2017

- Chairman McDonald requested a Motion to approve the July 17, 2017 Minutes. Commissioner Lewis made a Motion that was seconded by Commissioner Whalen. The Motion was affirmatively voted upon by all Commissioners present.

CHAIRMAN'S COMMENTS

- Chairman McDonald congratulated Commissioners Angela Mingo, James Brady and Sean Whalen on being reappointed to the Commission for a term ending August 1, 2020.
- Chairman McDonald stated that a resolution is being circulated for signature recognizing Allan Krulak for his service as Commissioner. Commissioner Krulak was originally appointed in March 2007 and served as Chairman of this Commission under Governor Strickland. Chairman McDonald congratulated Commissioner Krulak on his retirement.
- Chairman McDonald stated that Mr. Miltner will be retiring on August 21, 2017. Chairman McDonald thanked Mr. Miltner for his dedication and guidance to the OLC since February 2011, and he also congratulated Chuck LoPresti who will be promoted to Chief Legal Counsel once Mr. Miltner retires.
- Mr. Miltner stated that he is grateful to have had the opportunity to serve as Chief Legal Counsel for the OLC.

- Chairman McDonald stated that the OLC has kicked off the fiscal year with higher sales for July than projected due in large part to higher jackpots in both *Powerball*® and *Mega Millions*®.
- Chairman McDonald stated that the Combined Charitable Campaign kicks off the end of August. The Columbus kick-off will be held on August 30, 2017 and the Cleveland kick-off will be held on August 31, 2017. Invitations to both events were included in the Commissioners materials.
- Chairman McDonald stated that the OLC received responsible gaming verification standards certification and won several awards at the National Conference on Problem Gambling. Responsible Gaming week was successful as all seven (7) racinos participated. Chairman McDonald asked that the Office of Public Policy give an update.
- Chairman McDonald stated that he would like an update on how the *Cash Explosion*® 30th Anniversary taping went on Saturday, August 19, 2017 in Toledo and that he is looking forward to the presentation on the show's new format.

DIRECTOR'S REPORT, DENNIS BERG, DIRECTOR

- Director Berg reported that July represented the first month of fiscal year 2018. Total Sales of \$249.1 million were down \$13.4 million or 5.1% compared to last July. The decrease in sales was due mostly to lower jackpot offerings in the multi-state games. Last July, there was a \$478 million *Powerball*® jackpot and a \$540 million *Mega Millions*® jackpot, both of which were the highest jackpots last fiscal year.

- Director Berg reported that sales in *Pick 3*, *Pick 4* and *Pick 5* were down \$528,000 or 1.1%. *EZPLAY*® sales of \$8.9 million were down \$794,000 or 8.2% from last July. Traditional *Keno* sales of \$33.1 million were \$1.1 million or 3.4% higher than last July and broke an all-time monthly sales record for July.
- Instant ticket sales of \$126.7 million were up \$6.8 million or 5.7% from last July, and this was a record sales month for the month of July. VLT sales were \$84.5 million, of which \$28.3 million went to the OLC. On a gross sales basis, this is \$4.5 million more than last July.
- Director Berg reported that transfers to the Lottery Profits Education Fund of \$89.5 million were \$4.1 million above projection but roughly \$374,000 lower than last July's transfer.
- Director Berg stated that projections are higher for the second half of fiscal year 2018 due to the impending initiatives such as: cashless; the changes to both *Mega Millions*® and *Powerball*®; the expansion of *Quick Keno* devices; *Lucky One*; and play at the pump.
- Director Berg stated that Mr. Miltner started at the OLC in 2011, and since 1991, he has been the fourth Chief Legal Counsel. He has been extremely passionate about his job, and it has been a pleasure working with him.

APPROVAL OF ONE (1) ONLINE GAME RULE IN PROPOSED FORM

- Mr. Petro gave a brief overview of the OLC's new Online Game, *Lucky One*. Mr. Miltner brought before the Commission one (1) Online Game Rule for approval in Proposed Form. The Rule is as follows:
 - Rule 3770:1-9-959, *Lucky One* (\$1.00).

- Chairman McDonald then requested a Motion to approve one (1) Online Game Rule in Proposed Form. Commissioner Brady made a Motion that was seconded by Commissioner Mingo. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF AMENDMENTS TO ONE (1) ONLINE GAME RULE IN PROPOSED FORM

- Mr. Miltner brought before the Commission one (1) Online Game Rule for approval in Proposed Form. The Rule is as follows:
 - Rule 3770:1-9-955, *Powerball*® (\$2.00).

Chairman McDonald then requested a Motion to approve Amendments to one (1) Online Game Rule in Proposed Form. Commissioner McAleer made a Motion that was seconded by Commissioner Whalen. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF ONE (1) ONLINE GAME RULE IN FINAL FORM

- Mr. Miltner brought before the Commission one (1) Online Game Rule for approval in Final Form. The Rule is as follows:
 - Rule 3770:1-9-958, *Mega Millions*® (\$2.00).

Chairman McDonald then requested a Motion to approve one (1) Online Game Rule in Final Form. Commissioner Vaci made a Motion that was seconded by Commissioner Lewis. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

APPROVAL OF FOUR (4) INSTANT GAME RULES IN FINAL FORM

- Mr. Miltner brought before the Commission four (4) Instant Game Rules for approval in Final Form. The Rules are as follows:
 - Rule 3770:1-9-425, *Old Man Winner* (\$1.00);
 - Rule 3770:1-9-426, *Secret Santa* (\$2.00);
 - Rule 3770:1-9-427, *Winter Riches* (\$5.00); and
 - Rule 3770:1-9-428, *\$5 Million Jackpot* (\$20.00).
- Chairman McDonald then requested a Motion to approve the four (4) Instant Game Rules in Final Form. Commissioner Morgan made a Motion that was seconded by Commissioner Brady. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.
- Commissioner Brady left the Meeting at 12:32 P.M.

RESOLUTION TO APPROVE EZPLAY® TAP GAME THEME, MIKE PETRO, DEPUTY DIRECTOR

- Mr. Petro brought before the Commission a Resolution to approve one (1) new EZPLAY® Tap Game Theme. The one (1) new EZPLAY® Tap Game Theme is:
 - *Snowman Surprise*.
- Chairman McDonald then requested a Motion to approve the Resolution to approve one (1) new EZPLAY® Tap Game Theme. Commissioner McAleer made a Motion that was seconded by Commissioner Lewis. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES,
CONSTANCE MILLER, DEPUTY DIRECTOR**

- Ms. Miller brought before the Commission a Resolution to approve forty-one (41) new Video Lottery Game Themes. These game themes have been internally reviewed for technical compliance, content and game matrix. The forty-one (41) new Game Themes are as follows: four (4) game themes submitted by Aristocrat; three (3) game themes submitted by Bally; two (2) game themes submitted by Everi; eight (8) game themes submitted by IGT; two (2) game themes submitted by ITS; fifteen (15) game themes submitted by KGM/Ainsworth; four (4) game themes submitted by Konami; and three (3) game themes submitted by WMS.
- Chairman McDonald then requested a Motion to approve the Resolution for forty-one (41) new Video Lottery Game Themes. Commissioner Morgan made a Motion that was seconded by Commissioner Lewis. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**OFFICE OF OPERATIONS REPORT, CONSTANCE MILLER, DEPUTY
DIRECTOR**

- Ms. Miller stated that this July was the best July sales month ever for the racinos. Hard Rock recently had great coverage in Craine's Magazine. The Hollywood racinos were recently recognized for their responsible gaming programs during Responsible Gaming Week which was the week of July 31, 2017.
- Ms. Miller stated that JACK Thistledown is currently running a promotion with Powerball® and Miami Valley has a promotion coming up with an OLC instant ticket.
- Ms. Miller stated that license renewals for both Hollywood Mahoning Valley and Hollywood Dayton are nearing conclusion right now.

- Ms. Miller stated that on Thursday, September 28, 2016, the OLC will be holding an All-State Meeting in Beachwood for all Lottery personnel. Some of the suggested agenda items include: the cashless program; products which include *Lucky One*, *Mega Millions*® changes, and *Powerball*® changes; Play at the Pump; upcoming promotions; jackpot Party with the racinos; this year's holiday campaigns; responsible gaming awareness training; and an "Ask the Director" session. On Wednesday, September 27, 2017, there will be an All Sales Staff Meeting in Beachwood. Some of the suggested agenda items include: eApplication tools and the new rolling license renewals; the status and results of the new Sales Incentive Program; and a Q&A with Intralot.
- Ms. Miller stated that the *Cash Explosion*® team is present again this month. They will be showing a clip from the 30th Anniversary Show as well as give a quick update on the upcoming changes to the show's format.

CASH EXPLOSION® PRESENTATION

- The OLC's Game Show Department played a clip from the *Cash Explosion*® 30th Anniversary Show, as well as a clip showing the upcoming changes to the *Cash Explosion*® Show with a first air date of September 2, 2017.

OFFICE OF PUBLIC POLICY REPORT, CARLA TRICARICHI, DEPUTY DIRECTOR

- Ms. Tricarichi stated that as Chairman McDonald had mentioned, the OLC received a certification for the Responsible Gambling Verification Program at the second level of implementation from North American Association of State and Provincial Lotteries ("NASPL") and the National Counsel on Problem Gambling. There are three (3) levels of certification: the planning level for lotteries who do not currently have a responsible gambling program; the implementation program for those lotteries that have programs in place; and sustaining verification to show that the plan that has been

submitted continues to be executed. The OLC is in the second round of this new program, and it is one (1) of only six (6) states to have received the implementation level verification.

- Ms. Tricarichi reported that the OLC and the VLT facilities joined the American Gaming Association's Responsible Gaming Education Week July 31, 2017 through August 4, 2017 in order to bring attention to the issue of problem gaming, and educate the public on how to recognize the problem and what resources are available for those who need help. Hollywood Gaming at Mahoning Valley Race Course kicked off Responsible Gaming Education Week on Monday, July 31, 2017. Their theme was *Beat the Oddz*, a play on *The Wizard of Oz*. Hollywood Dayton's theme was Star Wars. Ms. Miller added that the racinos did public outreach to their patrons.
- Ms. Russo played a video depicting the *Beat the Oddz* theme that was played at Hollywood Mahoning Valley's press conference.
- Ms. Tricarichi stated that Ms. Russo was presented on the responsible gambling initiative at NASPL's Professional Development Conference in Nashville last month. She stated that Mr. Petro presented to the Information Technology group on the OLC's new problem gambling button that is on all retailers' terminals. The button will also be available on all self-service machines by the end of October, and she also stated that Ms. Frizz-Babb gave an overview of the OLC's responsible gambling initiatives to the Accounting and Public Relations attendees.
- Ms. Tricarichi reported that she and Ms. Russo attended the 2017 National Conference on Problem Gambling in Portland. She stated that Ohio won three (3) awards: one for the OLC's website; one for the public awareness campaign *Be the 95%*; and one for prevention funds that went to Wright State University School of Medicine for the development of an Ohio Department of Mental Health and Addiction Services funded program that educates at-risk youth which the OLC also helps fund.

- Ms. Tricarichi stated that in order to promote the 2018 Conference in Cleveland next year, Ohio attendees promoted the conference using a rock-n-roll theme.

OFFICE OF GOVERNMENT AND COMMUNITY RELATIONS REPORT

NICOLE KOSTURA, DEPUTY DIRECTOR

- Ms. Kostura played a Fox 8 news video featuring Marketing Communications Director, Sandy Lesko Sabbath. OLC representatives delivered supplies to the Fox 8 studios in Cleveland the morning of August 3, 2017 for the annual Stuff the Bus Campaign. Employees at OLC Central, Strongsville, and the nine (9) regional offices participated in this worthy cause by donating close to \$1,000 in monetary donations to purchase school supplies for students in need.
- Ms. Kostura reported that in honor of the 30th Anniversary of the *Cash Explosion*® Show, the OLC invited attendees at the taping to help fight hunger in Northwest Ohio. Donations were made by bringing canned goods to the event or through the Toledo Northwestern Ohio Food Bank's Virtual Food Drive. During the four hours that participants were there to watch the show, over \$1,300 was donated as well as a van full of food.
- Ms. Kostura stated that as Chairman McDonald had mentioned, on August 30, 2017 and August 31, 2017, the annual Combined Charitable Campaign will kick-off in Columbus and Cleveland, respectively. The OLC's goal is to raise \$45,000, and the Statewide goal is \$2.8 million. The OLC hosts the kick-off for the Cleveland area. The Honorary Chair this year is Jim Tressel.

**OFFICE OF COMMUNICATIONS REPORT, DANIELLE FRIZZI-BABB,
DEPUTY DIRECTOR**

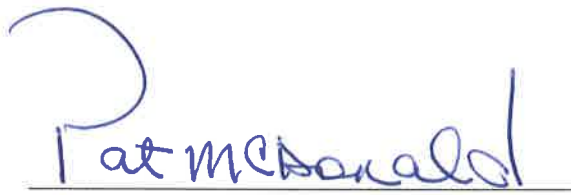
- Ms. Frizzi-Babb played an OLC YouTube video featuring the winners in the OLC's *EZPLAY*® game, *Discover Ohio*. Players won Airstream Travel Trailers which are built in Jackson Center, Ohio.

ADJOURNMENT

- Chairman McDonald stated that the next Meeting will be held on Tuesday, September 19, 2017. Chairman McDonald adjourned the August 21, 2017 Meeting at 1:14 p.m.


Dennis Berg, Director

Approved:


Patrick McDonald, Chairman