



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

APRIL 14, 2021

VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman
James Brady, Vice Chairman
Nita Gupta
Jonathan Hughes
Angela M. Mingo
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
Nick Stadler, Executive Assistant to the Director
Michael Gonzalez, Deputy Director, Office of Product Innovation
Charles LoPresti, Chief Legal Counsel, Office of Legal Counsel
Greg Bowers, Deputy Director, Office of Finance
Terri Jones, Administrative Assistant, Executive Office
Ron Fornaro, Instant Ticket Product Manager, Office of Sales
Danielle Frizzi Babb, Deputy Director, Office of Communications
Connie Miller, Deputy Director, Office of Operations
Karen Russo, Deputy Director, Office of Responsible Gambling
Dan Carter, Deputy Director, Office of Legal Counsel
Nick Ciofani, Deputy Director, Office of Government & Community Affairs
Marty Morrow, Deputy Director, Office of Sales
Rick Perk, Deputy Director, Office of Sales
Sandy Lesko-Sabbath, Deputy Director, Office of Marketing
Michael Black, Deputy Director, Office of Security

Jon Dillinger, Deputy Director, Office of General Services
Marie Kilbane Seckers, Communications
Thomas Spayd, VLT Management
Simeonia Mays, Deputy Director, Video Lottery
Scott Frost, Video Lottery Regulator
Greg Beyer, Internal Audit

Additional Attendees

Kevin Davis, Hollywood Gaming at Dayton Raceway
Jim Nash, Marcus Thomas, LLP
Sam Porter, IceMiller, LLC
Dennis Karras, Intralot US
William Kautz, Scientific Games
Rob Swedinovich, Miami Valley Gaming and Racing
Scott Shaffer, JACK Entertainment
Tim Kelley, Kegler Brown Hill & Ritter
Timothy Cosgrove, Squire Patton Boggs
Carla Kuchta, Intralot
Claire Bennett, Squire Patton Boggs
Debbie Pirone, Marcus Thomas LLC
Kelly DeNiro, Fahlgren Mortine

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 due to COVID-19 (coronavirus).

ROLL CALL

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

APPROVAL OF MINUTES OF MARCH 10, 2021

Chairman Blair presented to the Commission for approval the minutes from the March 10, 2021 meeting. Commissioner Szollosi made a Motion to approve the minutes, seconded by Commissioner Gupta. The Motion was affirmatively voted upon by all Commissioners present.

APPROVAL OF ONE (1) SCRATCH OFF GAMES IN PROPOSED AND FINAL FORM

Charles Lopresti, Chief Legal Counsel presented before the Commission One (1) Scratch Off Game Rule in Proposed and Final Form.

- ✦ Rule 3770:1-9-670, Ca\$h Explosion® Cashword (\$2.00)

Commissioner Blair moved to approve the Rule as presented in Proposed and Final Form, with Commissioner Mingo offering a second to the Motion. The Motion was affirmatively voted upon by the eight Commissioners present.

APPROVAL OF ONE (1) SCRATCH OFF GAMES IN PROPOSED FORM

Charles Lopresti, Chief Legal Counsel presented before the Commission One (1) Scratch Off Game Rule in Proposed Form.

- ✦ Rule 3770:1-9-671, \$300 Million Diamond Dazzler (\$20.00)

Commissioner Blair moved to approve the Rule as presented in Final Form, with Commissioner Sweeney offering a second to the Motion. The Motion was affirmatively voted upon by the eight Commissioners present.

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

Ron Fornaro, Instant Ticket Manager presented before the Commission Four (4) Scratch Off Game Rules in Final Form.

- ✦ Rule 3770:1-9-662, Beginner's Luck (\$1.00)
- ✦ Rule 3770:1-9-663, Rock Paper Scissors (\$2.00)
- ✦ Rule 3770:1-9-664, Cash Multiplier (\$5.00)
- ✦ Rule 3770:1-9-665, Moneybag Multiplier (\$10.00)

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

APPROVAL OF AMENDMENT TO ADMINISTRATIVE RULE IN PROPOSED FORM

Ron Fornaro, Instant Ticket Manager presented before the Commission Amendment to Administrative Rule in Proposed Form.

- ✦ Rule 3770:1-9-955, Powerball (\$2.00)

Commissioner Blair moved to approve the Amendment to Administrative Rule in Proposed Form, with Commissioner Hughes offering a second to the Motion. The Motion was affirmatively voted upon by the eight Commissioners present.

MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED FORM-ADMENDMENT

Chief Legal Counsel Charles LoPresti presented in Proposed Form one administrative rule under Mandatory Rules Review Pursuant to Chapter 119.

- ✦ Rule 3770:2-3-10, Video lottery licenses settlement of video lottery ticket sales, control of video lottery and collection of revenues due the lottery.

Commissioner Blair moved to approve the Rule, with Commissioner Szollosi offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED AND FINAL FORM- NO CHANGE

Chief Legal Counsel Charles LoPresti presented in Proposed and Final Form eight administrative rules under Mandatory Rules Review Pursuant to Chapter 119.

- ✦ Rule 3770-6-01, Personal information systems definitions
- ✦ Rule 3770-6-02, Procedures for accessing confidential personal information
- ✦ Rule 3770-6-03, Valid reasons for accessing confidential personal information
- ✦ Rule 3770-6-05, Restricting and logging access to confidential personal information in computerized personal information systems.
- ✦ Rule 3770:2-3-02, Video lottery licenses: application review process.
- ✦ Rule 3770:2-3-06, Video lottery licenses: fines
- ✦ Rule 3770:2-6-05, Video lottery operations: advertising and promotions.

Commissioner Blair moved to approve the Rules, with Commissioner Sweeney offering a second to the Motion. The Motion was affirmatively voted upon by only four (4) Commissioners present due to a disruption on the meeting. This Mandatory Rule Review will be presented again for vote at the May 12, 2021 Commission meeting.

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Charles LoPresti, Chief Legal Counsel, presented a Resolution to approve forty (40) Video Lottery Game Themes.

Commissioner Blair 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

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

- Total sales from Traditional Lottery products equaled \$410 million which is 50% more than sales in March 2020. This is the second highest month on record.

NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Executive Director McDonald gave an overview of the lottery budget for the upcoming biennium. The Director is currently preparing for upcoming testimony in front of the Senate Primary and Secondary Education Committee.

The Director highlighted the sales for the month of March. Scratch off tickets continue to exceed expectations, as sales were over \$226.8 million for the month. This is attributed to many factors: a strong product portfolio including the launch of the popular "Taxes Paid" family of games at the end of February; increases in our retailer base and self-serve kiosks; our Sales Representative's work to clear old inventory at retail; and continued improvements in ticket distribution – concentrating on improved retailer penetration of the \$10, \$20 and \$30 games. The Lottery also strategically promoted Keno during the month of March with St. Patrick's Day and the NCAA March Madness tournament. These our efforts resulted in an all-time, historic monthly sales record of \$57.8 million! This total surpassed the previous record, set in 2019 of \$43.2 million.

- EZ Play sales continue to grow. There were two fairly large jackpots won in our new \$40 EZ Play Progressive game, Jackpot 7s, that generated player engagement and helped this category increase sales by over \$3 million from the previous month.
- The daily numbers games, as you know is the luck of the draw, and our customers have experienced some luck over the last several months resulting them reinvesting some of their winnings back into the games and thus helped us generate record sales during March.
- Record sales mean record wins. March had over 13 million winners for roughly \$270 million. The seven racinos throughout the state have also performed well this month.
- The VLT numbers for March were \$7 million or 20% more than March 2019. We are ahead of 2019's pace by approximately \$15 million or nearly 6%.

All these factors contributed to an all-time monthly transfer record to the Lottery Profits Education Fund of \$135.4 million.

This month the Lottery released Lottery Cash, which can be purchased by redeeming MyLotto Rewards points in \$5 and \$10 denominations. Once purchased, a barcode is available on the customers phones or can be printed and turned over to their favorite retailer to purchase any Lottery product. In the first 14 days, more than 10,000 pieces of Lottery Cash were purchased, and we have redemption rate of almost 80%.

The JACK Thistledown casino in Cleveland unveiled a major addition, a 12,000 square foot patio. The new two-level patio is being branded as the Revel Oak area. This patio has climate control features so despite the inclement climate weather conditions, the patio will be able to remain open 24/7.

The audit committee met this morning to review the draft form of their governance documents for Fiscal Year 2022, including the Audit Committee Charter, Internal Audit Charter and Internal Audit Policy Manual. OBM Internal Audit also presented the results of their recently completed Assurance Review and Mobile Cashing Audit. The committee reviewed completed and current audits being performed by our Internal Audit team, as well as remediation of outstanding audit recommendations.


ADJOURNMENT

With no further business before the Ohio Lottery Commission, Chairman Blair complimented Commissioner Hughes and Karen Russo, Director of Responsible Gambling for their great work during Responsible Gambling Month. Commissioner Blair informed Commissioners that the next meeting will be held on Wednesday, May 12, 2021 at 12:00 p.m. via teleconferencing.

Respectfully Submitted,



Pat McDonald, Executive Director



Matthew Blair, Commission Chair