



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

JUNE 8, 2022

VIA TELECONFERENCE

Members of the Commission

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

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  
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  
Simeonia 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  
Nick Stadler, Office of General Services  
Sharisse Russell, Office of Operations  
Ian Litherland, Sports Gaming Proprietor Coordinator, Office of Sports Gaming  
Kara Rasmussen, Office of Legal Counsel  
Barry Riley, Producer, Cash Explosion  
James Carothers, Assistant Producer, Cash Explosion  
Tom Spayd, Senior Regulator, Video Lottery Operations, Office of Operations  
Scott Basom, Office of Security  
Chelsea Andorka, Sports Gaming Proprietor Coordinator, Office of Sports Gaming

Additional Attendees

Steven Berk, Giant Eagle  
Matthew Block, Scientific Games  
Caryn Candisky, Office of Senator Rob Portman  
Timothy Cosgrove, Cosgrove Jonhenry LLC  
Kevin Davis, Hollywood Gaming at Dayton Raceway  
Ed Dick, JACK Thistledown Racino  
Dustin Ensinger, Gongwer News  
Pamela Harbin, MGM Northfield Park  
Phil Johnston, Marcus Thomas, LLC  
Larry King, IGT  
Nora Larson, Recovery Resources  
Shelly Miller, MGM Northfield Park  
Alissa Naylor, BetMGM  
Debbie Pirone, Marcus Thomas, LLC  
Craig Robinson, Miami Valley Gaming and Racing  
John Walker, Eldorado Scioto Downs

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, Angela Mingo, Mark Rickel, Martin Sweeney.

APPROVAL OF MINUTES OF MAY 11, 2022

Chairman Blair presented to the Commission for approval the minutes from the May 11, 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.

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

Ron Fornaro, Scratch Off Ticket Product Manager, presented before the Commission four (4) scratch-off games in Proposed Form.

- ✦ Rule 3770:1-9-743, *Betty Boop*<sup>TM</sup> (\$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)

Chairman Blair 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

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

- ✦ Rule 3770:1-9-735, *My Lucky Day* (\$1.00)
- ✦ Rule 3770:1-9-737, *Ghostbusters*<sup>TM</sup> (\$2.00)
- ✦ Rule 3770:1-9-738, *The Price IS Right*<sup>TM</sup> (\$5.00)
- ✦ Rule 3770:1-9-740, *Bingo Times 50* (\$10.00)

Chairman Blair moved to approve the four (4) scratch-off games in Final Form, with Commissioner Rickel offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

#### APPROVAL OF RECISSION OF NINETY-ONE (91) SCRATCH-OFF RULES IN PROPOSED AND FINAL FORM- NO LONGER IN USE (Listed in Legal Commission Report).

Mr. Carter presented to the Commission ninety-one (91) scratch-off rules for recission in Proposed and Final Form.

Chairman Blair moved to approve the ninety-one (91) scratch off games in Proposed form, with Commissioner Brady offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

#### APPROVAL OF FIFTEEN (15) ADMINISTRATIVE RULES IN PROPOSED FORM

Mr. Carter presented to the Commission fifteen (15) Administrative Rules in Proposed Form in support of the Type C Lottery Sports Gaming program.

- Rule 3770:3-3-01. Authority and Purpose
- Rule 3770:3-3-02, Rules/Definitions
- Rule 3770:3-3-04, Type C Lottery Sports Gaming Host Operations, Equipment, Advertising and Promotions
- Rule 3770:3-5-01, Type C Sorts Gaming Proprietor Duties
- Rule 3770:3-5-02, Required Procedures
- Rule 3770:3-6-01, Sports gaming Systems
- Rule 3770:3-6-02, Information Technology

- Rule 3770:3-6-03, Lottery Sports Gaming Equipment Approval and Testing
- Rule 3770:3-6-04, Type C Sports Gaming Proprietor Equipment for hosts
- Rule 3770:3-6-05, Incident Reporting
- Rule 3770:3-7-01, Wager Rules
- Rule 3770:3-7-02, Tickets
- Rule 3770:3-7-03, Advertising
- Rule 3770:7-04, Promotions and Bonuses
- Rule 3770:7-02, Prize Payment

Chairman Blair moved to approve the fifteen (15) Administrative Rules in Proposed Form. With Commissioner Mingo offering a second to the motion. The Motion was affirmatively voted upon by the Commissioners present.

#### RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Mr. Carter presented a Resolution to approve 35 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 Commissioners present.

#### FINANCIAL REPORT

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

Sales from Traditional Lottery games for the month of May were \$350.9 million, which is a 9.1 % decrease (or \$35M) from the record set in May 2021.

Scratch-off game sales fell 9.4%, however other lotteries are experiencing the same downward trend.

Draw-based game sales fell 8.7% despite an increase in sales from Classic Lotto which was up 18.6% over last year due to higher jackpot levels.

Sales from the Multi-State jackpot games were lower than last year as both jackpot games had an advertised jackpot less than last year.

VLT revenue was \$114.9 million. The net profit from that equaled \$37.7 million, which was \$ 2.2 million less than last year

Total prize expense equaled 66.1% of sales.

#### DIRECTOR REMARKS

The Director informed the Commission that the Lottery requested OBM to transfer \$118 million to the Lottery Profits Education Fund (LPEF), which is \$18.3 million above our commitment. Upon posting of this transfer, year-to-date through May, Lottery profits will \$47.8 million ahead of last year. It is forecasted that we will end this fiscal year ahead of last year's transfer, despite lower profit transfers over the past few months.

As of Saturday, June 4<sup>th</sup>, traditional sales officially exceeded \$4 billion. From my days on the commission, we were always striving to reach the 4-billion-dollar mark.

On May 23<sup>rd</sup>, the Lottery launched expanded prize cashing services at our regional offices and racino locations. These locations can now pay prizes up to \$25,000, the prior limit was \$5,000. These thresholds mirror the limit for mobile cashing and is an added convenience to our players. Prior to this implementation, any prize over \$5,000 would have to be mailed in and go through the state accounting process.

Director McDonald gave an update on Sorts Gaming. The Lottery continues to push forward and make great progress with both the Hosts and Proprietors. The Lottery posted the initial batch of pre-qualified hosts to our website on Friday, June 3<sup>rd</sup>. The Lottery will continue to update this list each week as we approach the Ohio Casino Control Commission application window opening in July. In the meantime, the Lottery will be assisting Proprietors with their proposal submissions for Lottery review. With the application window opening next week, we are having conversations regarding the requirements of the process. Jon Dillinger, Director of Sports Gaming provided more detail on the application process.

Director McDonald informed the Commissioners about the Lottery strategic planning session that took place in person with our senior and regional management teams since the beginning of the pandemic. The purpose of this meeting was to identify on-going issues, concerns, and areas of opportunity as well as discuss potential actionable solutions over the next three years within our industry. Topics included building the budget based on the strategic plan and promoting diversity, equity, and inclusion initiatives. This allowed for a productive and educational conversation that helped connect our teams across the state. We plan to continue these meetings on a more frequent basis, potentially quarterly, going forward.

Director McDonald reported that the Senate voted 30-2 to pass SB 269 which would authorize iLottery. After several years of waiting, we are excited to finally see this bill be passed and are hopeful it will make it through the House with haste. Nick Ciofani, Director of Government Affairs, provided more details.

The Lottery Audit Committee held their quarterly meeting earlier today. The agenda item of note was the review and approval of our governance documents and audit plan for FY2023. Our Audit Committee Chair, Commissioner Mingo will be providing a full report at our July meeting.

#### ADJOURNMENT

With no further business before the Ohio Lottery Commission, Commissioner Brady informed Commissioners that the next meeting will be held on Wednesday, July 13, 2022, at 12:00 p.m. via teleconferencing and in person by invitation.

Respectfully Submitted,



Pat McDonald, Executive Director



Matthew Blair, Commission Chair