



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

MARCH 9, 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

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  
Collin Sheehy, Executive Assistant to the Director  
Ron Fornaro, Scratch Off Ticket Product Manager, Office of Product Development  
Tom Ackerman, Deputy Director, Marketing  
Elizabeth Alex, Deputy Director, Human Resources  
Greg Beyer, Deputy Director, Office of Internal Audit  
Danielle Frizzi Babb, Deputy Director, Office of Communications  
Daniel Carter, Legal Counsel  
Ken Dauenhauer, Advertising Account Manager, Marketing  
Susan Diamond, Video Lottery Regulator, Operations  
Jon Dillinger, Deputy Director, General Services  
Luigi DiRienzo, Information Technology

Raymond Durant, Deputy Director, Security  
Michael Gonzalez, Deputy Director, Product Innovation  
Maureen Hall, Deputy Director, Information Technology  
Scott Frost, Video Lottery Regulator, Office of Video Lottery  
Marie Kilbane-Seckers, Public Information Officer, Communications  
Sandy Lesko Sabbath, Deputy Director, Marketing  
Simeonia Mays, Deputy Director, Office of Video Lottery  
Connie Miller, Deputy Director, Operations  
Marty Morrow, Deputy Director, Office of Sales  
Kara Meg Rasmussen, Senior Legal Assistant, Legal  
Carla Reeves, Administrative Assistant, Internal Audit  
Karen Russo, Deputy Director, Responsible Gambling  
Tom Spayd, Senior Video Lottery Regulator, Office of Video Lottery  
Hurst Talbott, Project Manager, Product Innovation  
Joseph Volpi, IT Auditor, Internal Audit

Special Presenter

Lori Criss, Director, Ohio Department of Mental Health & Addiction Services

Additional Attendees

Scott Anderson, Ohio Department of Mental Health & Addiction Services  
Steven Berk, Giant Eagle  
Matthew Block, Scientific Games  
Bobbie Boyer, Scientific Games  
Ed Dick, Compliance Manager, JACK Thistledown Racino  
Dustin Ensinger, Gongwer News  
Stacey Frohnafel- Hasson, Ohio Department of Mental Health & Addiction Services  
Pamela Harbin, Hard Rock Racino  
Tim Kelley, PN Gaming  
Larry King, IGT  
Cindy Klatt, OBM, State of Ohio  
Nora Larson, Recovery Resources  
Kathleen Lenhardt, Hollywood Gaming Mahoning Valley  
Shelly Miller, MGM Northfield Park  
Jim Nash, CEO, Marcus Thomas, LLC  
John Oberle, Ice Miller LLC  
Sarah O'Driscoll, Fahlgren Mortine Advertising  
Debbie Pirone, Marcus Thomas, LLC  
Sam Porter, Ice Miller LLC  
Justin Remschneider, Boyd Gaming  
Craig Robinson, Miami Valley Gaming  
Cheyenne Roller, PGNO

Collen Rowan, IGT  
Charles Scannella, Scientific Games  
Scott Shaffer, JACK Entertainment  
Michelle Simon, Scientific Games  
John Walker, Eldorado Scioto Downs  
614-314-4660  
614-639-5942  
614-205-1212

#### 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, Matthew Szollosi

#### INTRODUCTION DIRECTOR LORI CRISS

#### OHIO DEPARTMENT OF MENTAL HEALTH & ADDICTION SERVICES

Director Criss informed the Commissioners about the Problem Gambling Awareness Month (PGAM) which takes place each March designed to increase public awareness about problem gambling.

Director Criss thanked the Lottery for their partnership and stated that moving forward there will be quarterly meetings between the Lottery and Ohio MHAS to collaborate. The Ohio Lottery Commission funds the Ohio for Responsible Gambling (ORG) public awareness campaigns (Get Set Before You Bet & Change the Game, Ohio); treatment, training for clinicians; and supports the annual conference. Change the Game Ohio, Ohio's youth gambling prevention was selected the 2020 Corporate People's Choice Award for the most popular print public awareness message of 2020.

Stacey Frohnappel-Hasson, Chief of Problem Gambling Services discussed the various tool kits and how the kits are distributed and used by individuals,

#### APPROVAL OF MINUTES OF FEBRUARY 9, 2022

Chairman Blair presented to the Commission for approval the minutes from the February 9, 2022, meeting. Commissioner Brady made a Motion to Approve the minutes, seconded by Commissioner Rickel. The Motion was affirmatively voted upon by the eight Commissioners present.

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

Mr. Ronald Fornaro, Scratch-Off Product Manager presented before the Commission five (5) Scratch-Off Games in Proposed Form.

- ✦ Rule 3770:1-9-725, *Lucky Green* (\$1,00)
- ✦ Rule 3770:1-9-726, *Battleship* (\$2.00)
- ✦ Rule 3770:1-9-727, *\$500 Frenzy* (\$5.00)
- ✦ Rule 3770:1-9-728, *\$2,000,000 Cash Blowout* (\$10.00)
- ✦ Rule 3770:1-9-729, *Magnificent Millions* (\$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 TWO (2) SCRATCH-OFF GAMES IN PROPOSED AND FINAL FORM

Mr. Charles LoPresti, Chief Legal Counsel presented before the Commission Two (2) Scratch - Off Games in Proposed and Final Form.

- ✦ Rule 3770:1-9-733, *Multiplier Bingo* (\$2.00)
- ✦ Rule 3770:1-9-741, *Bingo Times 25* (\$5.00)

Chairman Blair moved to approve the Game Rules as presented in Proposed and 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

Mr. LoPresti presented before the Commission Four (4) Scratch - Off Games in Final 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* (\$2.00)

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

### RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Mr. LoPresti presented a Resolution to approve 37 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 six Commissioners present.

### FINANCIAL REPORT

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

- Total sales from Traditional Lottery products equaled \$324.1 million, which was 1.8% growth over last February.
- VLT Revenue – GGR for the month was \$103.6 million. The Lottery share was \$34.7 million and net profit equaled \$33.8 million, which was 14.3 % more than last year.
- Total prize expenses equaled 65.0% of sales.
- Transfers to the LPEF for the month of February equaled \$110.7 million, or \$13 million more than budgeted and \$7.8 million more than last February.

### NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Director McDonald informed the Commissioners transfers to the LPEF for the month of February equaled \$110.7 million, or \$13 million more than budgeted and \$7.8 million more than last February. For the year the Lottery is \$107.3 million ahead of our commitment through February, and \$92.6 million more than previous year.

March is also an exciting month for Keno product line as the NCAA March Madness basketball tournament often brings customers out to our bar and tavern retailers. The Lottery is bringing back our Keno Clutch Three promotion which will run from noon to midnight during select game days.

The Sports Gaming program continues to be developed. The Lottery will hold a virtual meeting with stakeholders to provide an overview of our role with the Type C Hosts and Proprietors. This will be a recurring meeting as to keep the stakeholders informed as we get closer to the date of implementation.

Mr. Sean Webster, Assistant Director provided a status update on the Mobile Cashing program. Last month we mentioned that we were upgrading the features from the 2020 launch which allowed players to cash prizes between \$50 and \$5,000 through their MyLotto Rewards account. As of February 16, we have increased the amount to \$25,000 allowing players to cash some high tier prizes. To date over 100 high-tier prizes worth \$1 million have been cashed.

The Lottery released an RRP in December for a consultant to assist with a review of the gaming system contracts. That contract was awarded by DAS last week to GLI to provide consulting services. GLI is an established global leader in the gaming industry for testing and certification and they have a solid reputation for excellence. They will be examining gaming system in other states, identifying vendor offerings, and researching best practices. We will be having a kickoff meeting with them later this afternoon.

Mr. Nick Ciofani, Deputy Director, Office of Government & Community Affairs gave a brief update on Senate Bill 269 which was introduced by Senator Nathan Manning back on November 23<sup>rd</sup>. The bill would specifically authorize the Ohio Lottery Commission to operate internet lottery games or iLottery.

The bill would put in a prohibition that certain draw games (such as Pick 3, 4, and 5, Rolling Cash 5, Classic Lotto and Lucky for Life) would not be allowed on the iLottery platform. There is also a provision which states that iLottery games are not considered VLT games. The bill had sponsor testimony on February 16<sup>th</sup> and last week there was proponent testimony on the bill. The Lottery will continue to monitor and track this legislation.

Director McDonald announced that the Ohio Lottery staff will be returning to the Lausche Building beginning April 4<sup>th</sup> and will be in full swing of a hybrid schedule by April 25<sup>th</sup>.

Commissioner Hughes asked to recognize Derek Longmier and the Problem Gambling Network of Ohio for the hard work he and his staff did at the Responsible Gaming Conference last week.

#### INTERNAL AUDIT PRESENTATION

Deputy Director of Internal Audit, Greg Beyers informed the Commission that the Internal Audit team has begun the annual Risk Assessment process for Fiscal Year 2023. This process reviews, evaluates and ranks each auditable area within the agency. This assessment helps guide us when creating our annual audit plan. One of the components of this process, is our stakeholder survey, which is shared with the Commission.

Our survey consists of just 3 questions. The Commissioners are asked to rank 10 areas of lottery operations by their importance to achieving our goals and objectives. The Commissioners are also asked to describe any risks they believe could prevent us from achieving those goals. The final question is open-ended, asking if there is a specific area or concern that they may have, that Internal Audit should look into.

Last year, the Commission ranked Third Party Management, Retailers, Security and Information Technology as the top four important areas in achieving our Agency goals. Some of the risks you then identified included cybersecurity concerns, vendor data security, recruitment strategy, and the integrity of our games.

The Lottery took the rankings and your comments, incorporating them into our risk assessment matrix, and they ultimately helped to create our audit plan for the current fiscal year. Projects we have either completed or are currently in progress include reviewing third party contract compliance for our new Select 4 machines; the Security and integrity of the processes for our daily Pick Games at the Mills James studio; and Information Security review of cyber security controls for our internal applications and data storage.

The Commissioners input is valuable, and their responses are incorporated into our Risk Assessment. The Commissioners will receive a survey link from me by the end of this week via email. The survey is anonymous and should only take 5-7 minutes of your time to complete.

Audit Committee Chair Angela Mingo thanked the Commissioners and emphasized the importance of the survey to help set the course for the Internal Audit team planning for the upcoming year.

FROM THE FLOOR

Commissioner Szollosi recognized Stephanie Miller, EEO/Labor for her assistance and professionalism in addressing recent concerns.

Commissioner Sweeney inquired about the ability for home-bound individuals to access lottery products. The Director and Chair noted that we support the iLottery initiative for this reason.

ADJOURNMENT

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

Respectfully Submitted,



Pat McDonald, Executive Director



Matthew Blair, Commission Chair