



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

DECEMBER 9, 2020

VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman  
James Brady  
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  
Terri Jones, Administrative Assistant, Executive Office  
Charles LoPresti, Chief Legal Counsel, Office of Legal Counsel  
Greg Beyer, Deputy Director, Office of Internal Audit  
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  
Greg Bowers, Deputy Director, Office of Finance  
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  
Michael Gonzalez, Deputy Director, Office of Product Innovation  
Sandy Lesko-Sabbath, Deputy Director, Office of Marketing

Rebecca McLemore, Audio Visual Production Specialist, Communications  
Jon Dillinger, Deputy Director, Office of General Services  
Marie Kilbane Seckers, Communications

Additional Attendees

Ed Dick, JACK Thistledown Racino  
Danny Eldridge, Hanna News  
John Walker, Eldorado Scioto Downs  
Daniel Kennedy, Hollywood Dayton Raceway  
Aaron Ockerman, Ockerman Consulting  
Carla Kuchta, Intralot  
Debbie Pirone, Marcus Thomas LLC  
Elizabeth Abate, Marcus Thomas LLC  
Tim Cosgrove, Squire Patton Boggs  
Michelle Simon, Scientific Games  
Charles Scannella, Scientific Games  
Scott Shaffer, JACK Thistledown Racino  
Kathleen Lenhardt, Hollywood Mahoning Valley

Caller did not identify his/herself from the following numbers:

678-227-2783  
614-581-8238  
202-489-3631

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 NOVEMBER 18, 2020

Chairman Blair presented to the Commission for approval the minutes from the November 18, 2020 meeting. Commissioner Brady made a Motion to approve the minutes, seconded by Commissioner Szolloski. The Motion was affirmatively voted upon by all Commissioners present.

### APPROVAL OF THREE (3) SCRATCH OFF GAMES IN PROPOSED FORM

Ron Fornaro, Instant Ticket Manager presented before the Commission three (3) Scratch Off Game Rules in Proposed Form.

- ✦ Rule 3770:1-9-654, PAC- MAN® (\$2.00)
- ✦ Rule 3770:1-9-655, Triple Double Lucky 7's™ (\$5.00)
- ✦ Rule 3770: 1-9-656, Triple Red 777's (\$10.00)

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

### APPROVAL OF ONE (1) EZPLAY® GAME IN PROPOSED AND FINAL FORM

Mike Gonzalez, Deputy Director Product Innovation presented before the Commission one EZPLAY game in Proposed and Final Form.

- ✦ Rule 3770:1-964 EZPLAY® Ohio Jackpot 7's™ Progressive (\$40.00)

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

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

Charles LoPresti, Chief Legal Counsel, presented before the Commission Five (5) Scratch Off Game Rules in Final Form.

- ✦ Rule 3770:1-9-647, Stinkin' Rich (\$1.00)
- ✦ Rule 3770:1-9-648, 7 (\$2.00)
- ✦ Rule 3770: 1-9-649, Lady Luck (\$5.00)
- ✦ Rule 3770: 1-9-650, Money Multiplier (\$10.00)
- ✦ Rule 3770:1-9-651, \$2,000,000 Extreme Cash (\$20.00)

Commissioner Blair moved to approve the Rules as presented in Final Form, with Commissioner Mingo 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

Charles LoPresti, Chief Legal Counsel presented before the Commission Mandatory Rule Review Pursuant to Chapter 119 in Proposed Form.

### ✦ Rule 3770:4-02, *Issuance of licenses, products and equipment*

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

## RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Charles LoPresti, Chief Legal Counsel, presented a Resolution to approve thirty-six (36) Video Lottery Game Themes.

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

LoPresti also reminded the Commissioners that Mandatory Ethics Training is to be completed by Monday, December 14, 2020.

## FINANCIAL REPORT

Greg Bowers, Deputy Director, Finance, provided to the Commissioners a financial update for the month of November 2020.

- Profits for the month of November were \$103.8 million. This was achieved through sales of \$310.7 million from traditional lottery games, and \$73.9 million from VLT gross gaming revenue.
- Traditional Lottery sales were led by Scratch-off game sales, which generated \$166.9 million. Holiday-themed ticket sales continue to perform well during this season.
- In addition to robust sales from scratch-offs, the Numbers games continue to perform well with combined sales of \$65.2 million.
- Keno and the Lucky One games played in social environments generated \$42.9 million.
- Gross gaming revenue at the seven racinos equaled \$73.9 million. The Lottery share was \$24.7 million, and after operating expenses are considered profit from the racinos during the month was \$23.9 million.
- Bowers reported that prize expense was relatively back to normal paying out 63.8%. Operating expenses were a little low for the month due to the timing of invoices received. Retailer bonus and commissions were \$21.5 million.

## NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Executive Director McDonald informed the Commissioners of the following:

The Director informed the Commissioners that he is most proud of the agency's accomplishment of reaching our educational fund commitment by maintaining strong sales. Our sales have positioned the Lottery to maximize our profit transfer to education, benefiting students in Ohio.

The agency participated in the Combined Charitable Campaign (CCC) this fall. This year, we exceeded our goal by 119% raising \$46,626. In November we held our first annual Thanksgiving Telethon, which saw participation from 250 Lottery Employees. The final donation total from this event is \$10,930. This money has been donated to the Ohio Association of Foodbanks to help Ohio families in need. The Director presented a video of highlights from the event.

Another one of the agency's headline projects this year is the implementation of mobile cashing. Earlier this year, the Ohio Lottery was the first Lottery in the United States to implement this concept. Ohio Lottery players can use the app to scan and cash prizes of \$50 to \$5,000. Our success with mobile cashing has paved the way for other state lotteries to implement similar capabilities, including the Massachusetts Lottery. The Lottery is very proud that our success with mobile cashing is serving as a template for other Lottery agencies throughout the country.

The Lottery has transitioned the Cash Explosion Game Show to the Play at Home version. This adaptation yielded a new dimension to the show, allowing for contestants to participate virtually along side their families. The Play at Home version of the show remains popular with our fans and we will explore options for keeping this style of game play as a permanent part of the show.

The Lottery also launched our interactive Responsible Gambling Campaign – *Keep It Fun, Ohio* earlier this year.

The Lottery Marketing Team came up with creative concepts this year. The Lottery along with its advertising partner Marcus Thomas, were nominated and won, a coveted Communications Arts award for our summertime "eight – bit at bat" campaign. As part of our partnership with the Cleveland Indians, we developed an interactive QR Code banner behind the Homeplate. TV viewers could scan the QR code with their phone and connect to our My Lottery Rewards app for a chance "at bat" to win a cash prize. The award was for the best mobile campaign category. We are thrilled this cutting-edge customer engagement won this award, as we and Marcus Thomas competed against thousands of entries, including from brands like Nike, Adobe and Amazon.

Assistant Director Nicole Kostura & Marketing Director Sandy Lesko Sabbath presented to the Commission the *Delivering Merriness Campaign*. The Lottery partnered with our carrier stations in the media markets in multiple cities throughout the state to "Deliver Merriness" to some deserving individuals. Each recipient received a wreath of \$250 dollars' worth of holiday scratch-offs as a way to say "Thank You" for all they have done. Throughout the month of December, the stations will air their stories. Samples of segments were shown.

The Audit Committee will be holding its quarterly meeting later this afternoon. Discussion items on the agenda include the auditor of state, who will be providing an update on their completed financial and IT control audit of the Lottery for the Fiscal Year 2020 and the OBM Internal Audit will be discussing the results of the recently completed consulting engagement on the Liquidated Damages process for our Gaming System contract. A detailed update of the audit meeting will be given at the January Commission Meeting.

The Comprehensive Annual Financial Report (CAFR) for FY 2020 is nearing completion. Once completed, copies will be sent out to the Commissioners. Each year, the CAFR is considered for the Certificate of Achievement for Excellence in Financial Reporting, awarded by The Government Finance Officers Association. The Lottery CAFR has won this award 23 years in a row, so we hope to make it 24 years in a row this year!

### ADJOURNMENT


With no further business before the Ohio Lottery Commission, Chairman Blair complimented the Lottery staff on doing an incredible job. Commissioner Blair informed Commissioners that the next meeting will be held on Wednesday, January 13, 2020 at 12:00 p.m. via teleconferencing.

Respectfully Submitted,



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Pat McDonald, Executive Director



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Matthew Blair, Commission Chair