



THE OHIO LOTTERY COMMISSION

MEETING MINUTES

SEPTEMBER 9, 2020

VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman
James Brady
Nita Gupta
Jonathan Hughes
Angela M. Mingo
Mark Rickel
Martin Sweeney
Sean Whalen, Vice Chairman

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
Jonathan Dillinger, Deputy Director, Office of General Services
Danielle Frizzi Babb, Deputy Director, Office of Communications
Connie Miller, Deputy Director, Office of Operations
Karen Russo, Deputy Director, Office of Responsible Gambling
Michael Black, Deputy Director, Office of Security
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
Scott Frost, VLT Regulation Manager
Rebecca McLemore, Audio Visual Production Specialist, Communications

Additional Attendees

Ed Dick, JACK Thistledown Casino
Carla Kuchta, General Manager Intralot
John Walker, Eldorado Scioto Downs
Sam Porter, Ice Miller, LLC
Jim Nash, Marcus Thomas LLC
Debbie Pirone, Marcus Thomas LLC
Patrick Markovich, Governmental Policy Group, Inc.
Jonathan Reed, Gongwer News Service
Kathleen Lenhardt, Hollywood Gaming at Mahoning Valley

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

None

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 Sean Whalen.

APPROVAL OF MINUTES OF AUGUST 12, 2020

Chairman Blair presented to the Commission for approval the minutes from the August 12, 2020 meeting. Chairman Blair made a Motion to approve the minutes, seconded by Commissioner Gupta. The Motion was affirmatively voted upon by all Commissioners present.

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

Ron Fornaro, Instant Ticket Manager presented before the Commission Five (5) Scratch Off Game Rules in Proposed Form.

- ✦ Rule 3770:1-9-622, Player Appreciation (\$2.00)
- ✦ Rule 3770:1-9-623, Go for the Green (\$5.00)

- ✦ Rule 3770: 1-9-624, Black Ice (\$10.00)
- ✦ Rule 3770: 1-9-625, Millions (\$30.00)
- ✦ Rule 3770:1-9-627, \$25, \$50 or \$250 (\$5.00)

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

Charles LoPresti, Chief Legal Counsel, presented a Resolution to approve one Touch & Win EZPLAY® Tap Game Theme, *High Stakes Hold'em*.

Commissioner 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

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Charles LoPresti, Chief Legal Counsel, presented a Resolution to approve thirty-eight (38) 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.

MARKETING HOLIDAY CONCEPTS

Nicole Kostura, Assistant Director, presented a “sneak peek” into what is to come in our Holiday promotions and advertisement. Holiday season kicks off on October 13th. Our challenge during this pandemic has been to balance the safety of our employees, retailers and consumers while meeting the needed profit commitment to education and schools especially as they face changes to keep their students safe.

We had to adjust our sales and marketing messages. Adding public service announcements on playing safely and masking up.

We found new ways to service our retailers, many of whom are essential because of the products and services they provided. Their work and the work of our staff has provided the entertainment break that so many need this year.

This is also an election year this year which presents unique challenges when it comes to consumer attention, limited media inventory and cost of advertising buys this year. We have a fabulous holiday line-up this year.

- On October 13th Holiday Cash, Holiday Cash Drop, Jingle Jackpot, Holiday Lucky Times Ten, \$500,000 Holiday Money and Merry Millions tickets will go on sale.
- On November 3rd we will reward our loyal Cash Explosion fans with a player appreciation ticket featuring a high pay out.

- On November 24th we will spring-board into five new winter games which will carry us into the new year, this will include the \$10 Gigantix and a \$20 Premier Cash which both include the “scratch my back” feature.

Scratch offs make great gifts but also can be a fun break for yourself from upcoming holiday extravaganza and everything else going on. Some of our goals are to achieve record holiday sales this year our keep our products top of mind. We need to incentivize retailers through creative competition, and make sure products are prominently displayed and that they stand out to consumers. Our advertising needs to stand out and make customers smile and relate but be appropriate. Responsible Gambling is the pillar of our mission. The Lottery will run the campaign that even though scratch offs are great gifts they are not for individuals under 18. And lastly, my favorite part of this campaign is that we are going to give back and reward essential Ohioans who have worked so hard through this time by “Delivering Merriness”.

Ms. Kostura asked Sandy Lesko Sabbath, Deputy Director of Marketing to share more details. Ms. Sabbath stressed that the Lottery wants to be responsible with messaging during the pandemic. We have many different angles to approach the holiday season. The retail and digital branding for all scratch off tickets this season is *Deck the Halls with Wins from Scratch-Offs*. It launches around October 13 and tactics include: In-venue POS materials; Digital Out-of-Home Placements (DOOH); social posts; digital and media placements; and intermittent paid radio and digital video/social after the election is over.

The Lottery is promoting the \$20 Merry Million scratch off ticket with a *Go Big This Holiday Season* concept. Since we’ve had to downsize everything this year, from birthday parties, holiday celebrations and concerts, we want to *Go Big This Holiday Season* by highlighting the biggest holiday ticket with the biggest prizes.

The concept for the umbrella holiday media campaign is *A Different Type of Holiday*. The creative direction for the campaign is that we are extending the tone of relatability and an understanding of the new normal this year, but still delivering it in a creative playful way. All products represent and allow the viewer to both appreciate the act of playing our games and giving our games as gifts. Storyboards, scripting and production is still in the planning process.

Responsible gambling is very important to the Lottery. The concept this year is *Not for Kids*. The goal is to remind our various customers they even though holiday scratch offs make great gifts, these gifts are not for kids.

Our branding and promotion will include a special program called “Delivering Merriness” and a MyLotto Rewards second chance promotion.

The MyLotto Rewards second chance promotion will run December 1-12. The goal is to reward loyal players with additional chances to win cash prizes from their holiday scratch offs. This will be geared towards regular players. We will utilize our salesforce tool to engage with players in MyLotto and deliver custom offers to encourage participation.

“Delivering Merriness” will partner with our major market carrier stations who will solicit entries for deserving candidates. We will surprise and delight individuals with holiday ticket wreaths worth \$250 dollars. Up to 36 wreaths will be delivered across the state at a value of \$9,000. Popular carrier station personnel will perform and film these visits. The Lottery will feature these stories on our various carrier TV stations and through other social media channels.

FINANCIAL REPORT

Greg Bowers, Deputy Director, Finance, provided to the Commissioners a financial update for the months of July and August 2020.

- Traditional Sales for the month of August were \$331.7 million.
- The daily Numbers games (P3, P4, P5) were up against last year by \$16.2 million, or close to 30%.
- Games played in social environments such as Keno, Lucky One, and Fast Play games were up by \$6.5 million or 30%.
- Revenue at the seven racinos fared well during the month. GGR was \$94.8, up by \$1.8 million, or 2% over last August. Net revenue for the Lottery was \$31.7 million. This is a little more than \$600k compared to last year.
- Profit from traditional lottery games for the month of August were \$108.1 million, \$13.9 million more than our original estimate, and \$14.2 million more than last year. This represents the 5th highest monthly transfer on record.

NEW BUSINESS/EXECUTIVE DIRECTOR'S COMMENTS

Executive Director McDonald informed the Commissioners of the following:

The Lottery staff has been teleworking since March, with around 85% of Lottery employees remaining at home full-time. Governor DeWine sent all state employees an email indicating the earliest return to the office full-time is January 4, 2021.

The 2020 Combined Charitable Campaign has begun. The Lottery conducted a "virtual kick off" event, using Microsoft Teams. We had nearly 200 Lottery employees from throughout the state logged into the event, which featured both live and pre-recorded testimonials from various staff, Director McDonald, and the Governor.

Racino revenues are up during this time. Social distancing and restart compliance are still in place. Very happy with how things are going at all the racino properties.

The Lottery introduced a new program for High-Tier Prize Claims. Lottery players now have ability to use the Lottery website with their MyLotto Rewards account to submit a claim for prizes greater than \$5,000. Due to our regional offices being closed, the Lottery has seen high customer demand for alternative methods for claiming these prizes.

The Audit Committee held their quarterly meeting. Members of the Audit Committee approved the Fiscal Year 2020 Audit Report. We will hear more on this at the October Commission meeting.

Governor DeWine released the final Minority Health Strike Force report and the state's executive response. The Minority Health Strike Force was formed in April to examine the disproportionate impact of the coronavirus on minority communities, as well as broader health disparities and racial injustices. In response to the strike force, Lottery senior staff members have met to discuss ways which we can work towards implementing the recommendations.

The Lottery has released an ad featuring the character "Ohio Jones". This ad was released to promote one of our newer scratch-off tickets, "Treasure Hunt". We have received multiple compliments on this commercial. Thank you to the Lottery marketing team and Director of Communications, Danielle Frizzi-Babb, for all their work to promote the ticket on social media.

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, October 14, 2020 at 12:00 p.m. via teleconferencing.

Respectfully Submitted,



Pat McDonald, Executive Director



Matthew Blair, Commission Chair