



THE OHIO LOTTERY COMMISSION
MEETING MINUTES
JULY 12, 2023
IN PERSON/VIA TELECONFERENCE

Members of the Commission

Matthew Blair, Chairman
James Brady, Vice Chairman
Caryn Candisky (Absent)
Nita Gupta
Jonathan Hughes
Angela Mingo (Absent)
Mark Rickel
Martin Sweeney
Matthew Szollosi (Via Teams)

Ohio Lottery Commission Attendance (In-Person & Remote)

Michelle Gillcrist, Director
Nicole Kostura, Assistant Director
Terri Jones, Office of Marketing
Ron Fornaro, Scratch-Off Ticket Product Manager, Office of Sales
Nick Ciofani, Deputy Director, Office of Government & Community Relations
Jon Dillinger, Deputy Director, Sports Gaming Operations Manager
Michael Gonzalez, Deputy Director, Office of Product Innovation
Marie Kilbane Seckers, Office of Communications
Tom Ackerman, Deputy Director, Office of Marketing
Marty Morrow, Office of Sales
Raymond Durant, Deputy Director, Office of Security
Pam Strickland, Office of Sales
Ken Dauenhauer, Office of Marketing
Maureen Hall, Deputy Director, Office of Information Technology
Carla Reeves, Office of Sports Gaming
Elizabeth Alex, Deputy Director Office of Human Resources
Percy Turner, Deputy Director, Office of General Services
Marni Santoro, Office of Legal Counsel
Matthew Clever, Office of VLT Management
Scott Frost, Office of VLT Management
Scott Basom, Office of Security
Daniel Davis, Office of General Services
Joan French, Office of Legal Counsel
Dan Carter, Office of Legal Counsel
Susan Diamond, Office of Responsible Gambling

Jimmie Hicks, Office of Responsible Gaming
Jacqueline Cunningham, Office of Communications
Brent Collier, Office of Internal Audit
Rick Perk, Deputy Director, Office of Sales
Edward Slyman, Interim Deputy Director, Office of Finance
Traci Pinkney-Nichols, Office of Finance
Marie Kilbane Seekers, Office of Communications
Jeff Jiannuzzi, Sales Manager, Region 2
Brian Patterson, Sales Manager, Region 9
Marty Morrow, Office of Sales
Sharisse Russell, Office of VLT Operations
Priscilla Benavides, Office of Security
Brian Sindelar, Office of VLT Operations
Danielle Frizzi Babb, Deputy Director, Office of Communications
Traci Pinkney Nichols, Office of Finance
Simeonia Mays, Deputy Director, Office of VLT Operations
Joe Volpi, Office of Internal Audit

Additional Attendees

Duane Miller, Three Leaf
Ron Stokes, Three Leaf
Michelle Simon, Scientific Games
Tim Cosgrove, Cosgrove Jonhenry LLC
Ed Dick, JACK
George Balajan, Intralot US
Claire Spada, PGNO
Debbie Pirone, Marcus Thomas, LLC
Carla Kuchta, Intralot US
John Walker, Scioto Downs
Emily Venditte, Marcus Thomas
Glenda Terrell, Marcus Thomas
Jennifer Park, Aftermath
Tim Kelley, PN Gaming
Matthew Barrack, MGM
Kevin Davis, Miami Valley Gaming
Nora Larson, Recovery Resources
Colleen Rowan, IGT
Mariah Field, ICE Miller
Gina Larwill,
Monti Nichols
Matt Buckle

Call to Order and Pledge of Allegiance

Chairman Blair called the meeting of the Ohio Lottery Commission to order at 12:00 p.m. The meeting was held in-person and via teleconferencing.

Approval of Meeting Minutes

Chairman Blair requested approval of the minutes from the June 14, 2023, Commission meeting. Commissioner Brady made a motion to approve the minutes, seconded by Commissioner Sweeney. The motion was affirmatively voted upon by the Commissioners present.

Internal Audit Update

Audit Committee Member Martin Sweeney gave an update on Internal Audit Committee meeting held in June. Commissioner Sweeney reported that the committee reviewed, discussed, and approved governance documents for fiscal year 2024. These documents included the Audit Committee Charter, Internal Audit Charter, Internal Audit Policy and Procedure Manual, and Audit Plan for fiscal year 2024.

Commissioner Sweeney reported that the audit projects of note coming year include assurance reviews of the Lottery's payroll processes, Mills James gameshow contract, the claims-excluded player compliance, sports gaming proprietor oversight, and Ohio Voluntary Exclusion Program. The Committee also reviewed the results of the recently completed Information Security Audit. This Audit assessed our processes, procedures and oversight of the patch management update and the vulnerability testing of our servers and end-user workstations. Commissioner Sweeney was pleased to share there were no material issues noted during the audit.

Lastly, Commissioner Sweeney noted that the Audit Committee continues to monitor the implementation process of prior audit recommendations. As of the June meeting, the Committee is tracking 13 issues which are in varying stages of implementation.

Approval of Five (5) Scratch-Off Games in Proposed Form

Acting Chief Legal Counsel Dan Carter presented five (5) scratch-off games for approval:

- OLC Operating Procedure 817:
**817_Game Rule, Snowbank (\$1.00)*
- OLC Operating Procedure 818:
**818_Game Rule, Grandma Got Run Over By a Reindeer (\$2.00)*
- OLC Operating Procedure 820:
**820_Game Rule, Cash Flurry (\$5.00)*
- OLC Operating Procedure 821:
**821_Game Rule Ehen It's Gold Outside (\$10.00)*
- OLC operating Procedure 822:
**822_Game Rule Maximum Millions (\$20.00)*

Chairman Blair moved to approve the five (5) scratch-off games, with Commissioner Sweeney offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

Approval of One Hundred Nine (109) Scratch-Off Game Rules Available For Recission

Acting Chief Legal Counsel Dan Carter presented One Hundred Nine (109) Scratch -Off Game Rule Available for Recession in Proposed and Final Form.

- Rule 3770:1-7-08, Game Number Eight
- Rule 3770:1-7-18, Game Number Eighteen
- Rule 3770:1-7-21, Game Number Twenty- One

- Rule 3770:1-7-30, Game Number Thirty
- Rule 3770:1-7-31, Game Number Thirty-One
- Rule 3770:1-7-32, Game Number Thirty-Two
- Rule 3770:1-7-34, Game Number Thirty-Four
- Rule 3770:1-7-35, Game Number Thirty-Five
- Rule 3770:1-7-37, Bingohio
- Rule 3770:1-7-42, I Love Ohio
- Rule 3770:1-7-43, Silver Lining
- Rule 3770:1-9-243, Lucky Gems Bingo
- Rule 3770:1-9-396, Bingo Times 10
- Rule 3770:1-9-414, \$300,000 Diamond Dollars
- Rule 3770:1-9-471, Winter Green Doubler
- Rule 3770:1-9-473, Find the 9s
- Rule 3770:1-9-474, Skee Ball
- Rule 3770:1-9-475, All About the Bens
- Rule 3770:1-9-480, Holiday Cash
- Rule 3770:1-9-481, Holiday Gifts
- Rule 3770:1-9-482, Naughty or Nice
- Rule 3770:1-9-484, Holiday Fun
- Rule 3770:1-9-485, Snow Me The Money
- Rule 3770:1-9-486, Reindeer Games
- Rule 3770:1-9-487, Winter Ice Multiplier
- Rule 3770:1-9-492, I Love Cash
- Rule 3770:1-9-493, Casino Royale
- Rule 3770:1-9-498, The Cash Wheel
- Rule 3770:1-9-502, Fireball Bingo Doubler
- Rule 3770:1-9-503, Wild Cherry Doubler
- Rule 3770:1-9-504, Some Like It Hot
- Rule 3770:1-9-506, Jewel 7s
- Rule 3770:1-9-509, Diamonds X10
- Rule 3770:1-9-510, Twisted Treasure
- Rule 3770:1-9-511, Monopoly 25X
- Rule 3770:1-9-512, 50X the Money
- Rule 3770:1-9-515, \$50 In A Flash
- Rule 3770:1-9-516, Ohio Lottery 45th Anniversary Black
- Rule 3770:1-9-517, Combo Play
- Rule 3770:1-9-518, Wheel of Fortune
- Rule 3770:1-9-520, Lucky Dog Doubler
- Rule 3770:1-9-521, Cash Explosion
- Rule 3770:1-9-525, Xtra Bonus
- Rule 3770:1-9-526, Lucky
- Rule 3770:1-9-535, Why did the Chicken Cross The Road?
- Rule 3770:1-9-536, Word
- Rule 3770:1-9-537, Lucky Loot HD
- Rule 3770:1-9-539, Holiday Multiplier
- Rule 3770:1-9-540, Twelve Elves HD
- Rule 3770:1-9-542, Happy Holidays

- Rule 3770:1-9-544, Cool 7s Tripler
- Rule 3770:1-9-545, Snow Me The Money
- Rule 3770:1-9-546, Winter Winnings
- Rule 3770:1-9-550, Lucky Jackpot
- Rule 3770:1-9-551, Lucky \$500
- Rule 3770:1-9-555, Monopoly 5X
- Rule 3770:1-9-556, Monopoly 10X
- Rule 3770:1-9- 558, Monopoly 50X
- Rule 3770:1-9-562, Grand Diamond Dollars
- Rule 3770:1-9-567, I love To Win
- Rule 3770:1-9-568, Jokers Wild
- Rule 3770:1-9-569, 7
- Rule 3770:1-9-5711 Triple 777 Red Hot Slots
- Rule 3770:1-9-573, Double the Money
- Rule 3770:1-9-580, 7-11-21 Tripler
- Rule 3770:1-9-581, Multiplier Mania
- Rule 3770:1-9-582, Fast Cash
- Rule 3770:1-9-587, Money Bags
- Rule 3770:1-9-588 Ohio Lottery Mega Millions
- Rule 3770:1-9-590, Treasure Hunt
- Rule 3770:1-9-593, The Three Stooges
- Rule 3770:1-9-594, Willy Wonka Golden Ticket
- Rule 3770:1-9-607, Jingle Jackpot
- Rule 3770:1-9-608, Holiday Cash Drop
- Rule 3770:1-9-610, \$500,000 Holiday Money
- Rule 3770:1-9-613, Festive \$50s
- Rule 3770:1-9-614, Winter Doubler
- Rule 3770:1-9-615, Winter Green 7s
- Rule 3770:1-9-616, Winter Wonderland Riches
- Rule 3770:1-9-622, Player Appreciation
- Rule 3770:1-9-624, Black Ice
- Rule 3770:1-9-640, \$5,000 Taxes Paid
- Rule 3770:1-9-641, \$20,000 Taxes Paid
- Rule 3770:1-9-642, \$250,000 Taxes Paid
- Rule 3770:1-9-644, \$500,000 Taxes Paid
- Rule 3770:1-9-648, 7
- Rule 3770:1-9-649, Lady Luck
- Rule 3770:1-9-650, Money Multiplier
- Rule 3770:1-9-654, Pac Man
- Rule 3770:1-9-655, Triple Double Lucky 7s
- Rule 3770:1-9-661, White Ice
- Rule 3770:1-9-662, Beginners Luck
- Rule 3770:1-9-663, Rock Paper Scissors
- Rule 3770:1-9-664, Cash Multiplier
- Rule 3770:1-9-665, Moneybag Multiplier
- Rule 3770:1-9-672, Doggone Lucky
- Rule 3770:1-9-673, Power 10X

- Rule 3770:1-9-674, Wild Cash Multiplier
- Rule 3770:1-9-675, \$500,000 Cash
- Rule 3770:1-9-678, National Lampoon's Christmas Vacation
- Rule 3770:1-9-679, Peppermint Payout
- Rule 3770:1-9-682, \$500,000 Happy Holidays
- Rule 3770:1-9-685, Gnome for the Holidays
- Rule 3770:1-9-686, Cash Flurry
- Rule 3770:1-9-687, 25X Winter Winnings
- Rule 3770:1-9-688, A Very Merry Holiday Countdown
- Rule 3770: 1-9-692, Winners Galore
- Rule 3770:1-9-693, Multiply The Money
- Rule 3770:1-9-705, Cash Explosion 35th Anniversary

Chairman Blair moved to approve the One Hundred Nine (109) Scratch-Off Game Rules available for Recission presented with Commissioner Brady offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

Resolution to Approve Video Lottery Game Themes

Acting Chief Legal Counsel Dan Carter presented a Resolution to approve thirty-one (31) Video Lottery Terminal (VLT) game themes for inclusion in the video lottery game theme library. Chairman 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

Office of Finance - Contract Compliance Coordinator Traci Pinkney Nichols provided the Commission with a financial update for the month of June. Total sales from traditional lottery games for the month were \$348.0 million, which was \$17.8 million, or 5.4% higher increase over FY22's record setting June. Ms. Nichols stated that scratch-off game sales were \$16.9 million or 9.8% higher than last year. Turning to draw-based games, Ms. Nichols reported that Draw-based game sales saw a modest increase of 0.5% even though there were higher advertised jackpots for both Mega Millions and Powerball, when compared to the same time last fiscal year.

Ms. Nichols informed the Commissioners that Gross Gaming Revenue from VLTs for the month was \$110.8 million. Net profit from that equaled \$36.3 million, which was \$1.1 million more than last year or a 3.2% increase.

Lastly, Ms. Nichols reported the prize expense represented 69.9% of traditional sales, which is higher than normal expected payout.

Executive Director's Report

Chairman Blair asked Director Michelle Gillcrist to give the Director's report. Director Gillcrist welcomed the Commissioners and reported on the Lottery's transfer to the Lottery Profits Education Fund (LPEF) for the month of June. The LPEF transfer was \$78.4 million, representing profits from traditional lottery products only. Ms. Gillcrist reported that per OBM practice, the profits generated from VLTs for the month of June are reported at the beginning of July and counted towards this present fiscal year of 2024's profits. This transfer was \$8.3 million more than budgeted commitment for the month of June. However, it was \$3.8 million less than last June and this is primarily due to the higher-than-normal prize payouts.

Director Gillcrist stated that fiscal year of 2023, which ended June 30th, the total transfers to the LPEF were a record of \$1.464 billion. This was more than \$201.2 million more than annual commitment and \$58.9 million more than last year. Ms. Gillcrist also noted, that for the first time in Lottery history, profits earned from traditional lottery game sales exceeded \$1 billion.

Director Gillcrist also informed the Commissioners that the Lottery has started to be working with the Governor's Office on a cross collaboration initiative on their literacy efforts. She then commended the Lottery staff, particularly the sales team, for breaking the record set in fiscal year 2021 and achieving record sales for scratch-off tickets.

Director Gillcrist then invited Simeonia Mays, Deputy Director of Video Lottery Operations and Tom Spayd, Senior VLT Regulation Manager to give a brief overview her department. Deputy Director Mays and Mr. Spayd provided an overview of the department's regulatory activity in the seven racinos. They provided information on how their staff monitor all VLT activity, utilize a central monitoring system, audit each racino, conduct regular compliance reviews, and overall work to protect the integrity of video lottery gaming in Ohio.

Lastly, Ms. Mays invited the Commission to Hollywood Gaming at Dayton Raceway on September 9th for the Cash Explosion roadshow.

Government Affairs Update

Chairman Blair then asked Deputy Director of Government Relations Nick Ciofani to give a brief update on the state budget as pertained to the Lottery. Mr. Ciofani informed the Commission that for this present fiscal year, as defined in the biennium budget that was passed and signed, the Lottery annual LPEF commitment is \$1.424 billion. For fiscal year 2025, the Lottery's LPEF commitment is set at \$1.44 billion.

Additionally, Mr. Ciofani stated that the budget included a new legislative gaming committee to examine the future of gaming in Ohio. Included on the committee are four Ohio House members, four Ohio Senate Members and the Chairpersons of the Ohio Commission, Ohio Casino Control Commission, and the Ohio State Racing Commission, or their designees.

Mr. Ciofani also indicated that the budget included language to help the State streamline the Ohio Administrative Code (OAC). This change allows the Lottery Commission to approve game rules as operating procedures and place them on the Lottery's website instead of going through the OAC process.

Lastly, Mr. Ciofani also informed the Commission that type C sports gaming was expanded to include additional locations that hold the A1A or A1C liquor permits, which are primarily breweries.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Chairman Blair informed Commissioners that the next meeting will be held on Wednesday, August 9, 2023, at 12:00 p.m. via teleconferencing and in person.

Respectfully Submitted,



Michelle B. Gillcrist
Director



Matthew Blair
Commission Chair