



**THE OHIO LOTTERY COMMISSION**

**MEETING MINUTES**

**JUNE 12, 2019**

**12:00 P.M.**

**Present at the meeting were the following:**

Members of the Commission:

James Brady  
John F. Lewis  
Trevor A. McAleer  
Angela M. Mingo  
William N. Morgan  
Martin J. Sweeney  
Elizabeth D. Vaci  
Sean A. Whalen

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, Finance  
Sandy Lesko-Sabbath, Deputy Director, Marketing Communications  
Danielle Frizzi-Babb, Deputy Director, Communications  
Marie Kilbane Seekers, Office of Communications  
Maureen Hall, Interim Deputy Director, Information Technology  
Jaret Williamson, College Intern, Marketing  
Susan Diamond, VLT Regulation  
Michael Gonzalez, Deputy Director, Product Development and Analytics  
Brian Sindelar, Assistant Legal Counsel  
Christine Jasica, Paralegal  
Dustin Russell, Policy Staff  
Jennifer Wilson, Deputy Director, Internal Audit  
Carla Reeves, Office of Internal Audit  
Tom Spayd, VLT Regulation  
Rebecca McLemore, Communications  
Jon Dillinger, Deputy Director, General Services  
Liz Popadiuk, Deputy Director, Human Resources  
Richard Perk, Deputy Director, Sales Management



Martin Morrow, Assistant Deputy Director, Sales Management  
Ron Fornaro, Instant Ticket Product Manager  
Simeonia Mays, Interim Deputy Director, Security  
Carla Tricarichi, Deputy Director, Public Policy  
Karen Russo, Office of Public Policy  
Jaret Williamson, XXX

Also Present Were:

Kevin Davis, Hollywood Gaming  
Jim Nash, Marcus Thomas LLC.  
Kathy Lenhards, Mahoning Valley Racino  
Ed Dick, Jack Thistledown  
Allie Evangelista, Penn National  
Kathy, Hollywood Gaming at Mahoning Valley  
Rob Swedinovich, Miami Valle Gaming  
John Walker, Scioto Downs  
Jamie Brown, MGM Northfield Park  
Chris Kelly, MGM Northfield Park  
Kyle Wentz, MGM Northfield Park  
Greg Kolocin, MGM Northfield Park  
Louis Tyeros, MGM Northfield Park  
Dan Kennedy, Penn National  
John Oberle, Ice Miller  
Michelle Simon, Scientific Games

**CALL TO ORDER, PLEDGE OF ALLEGIANCE & ROLL CALL**

Chairman Whalen called the meeting of the Ohio Lottery Commission to order at 12:03 p.m. in the Central Office of the Ohio Lottery Commission, 4<sup>th</sup> floor conference room, located at 615 W. Superior Avenue, Cleveland, Ohio.

After the Pledge of Allegiance to the Flag, attendance was taken, and a quorum was present.

**APPROVAL OF MINUTES OF MAY 8, 2019**

Chairman Whalen presented to the Commission the minutes from the May 8, 2019 meeting. Commissioner Morgan made a motion that was seconded by Commissioner Sweeney. The motion was affirmatively voted upon by all Commissioners present.



### **CHAIRMAN'S COMMENTS**

The Audit Committee met prior to the Commission meeting. Governance documents required to operate the Internal Audit group and the Audit Committee, were reviewed and are pending the Executive Director's signature.

Deputy Director for Internal Audit, Jennifer Wilson will be leaving the Lottery Commission to take a similar position within the Office of the Treasurer of State. Ms. Wilson thanked the Commission for the opportunity to serve in this capacity.

### **APPROVAL OF THREE INSTANT GAME RULES IN PROPOSED FORM**

Martin Morrow, Deputy Director, Sales Management, presented to the Commission four Instant Game Rules for approval in Proposed Form:

- Rule 3770:1-9-539, *Holiday Multiplier* (\$2.00)
- Rule 3770:1-9-540, *Twelve Elves HD* (\$3.00)
- Rule 3770:1-9-542, *Happy Holidays* (\$10.00)
- Rule 3770:1-9-543, *Merry Millions* (\$20.00)

Commissioner McAleer moved to approve the Rules as presented, in Proposed Form, with Commissioner Mingo offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **APPROVAL OF INSTANT GAME RULES IN FINAL FORM**

Sean Webster, Assistant Director, presented to the Commission three Instant Game Rules for approval in Final Form:

- Rule 3770:1-9-535, *Why Did the Chicken Cross the Road?* (\$2.00)
- Rule 3770:1-9-536, *Word* (\$3.00)
- Rule 3770:1-9-537, *Lucky Loot HD* (\$5.00)

Commissioner Lewis moved to approve the Rules as presented, in Final Form, with Commissioner Brady offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 - AMENDMENT**

Mr. Webster presented to the Commission for approval one Administrative Rule based on the Mandatory Rule Review pursuant to Chapter 119, Amendment, in Final Form:

- Rule 3770:1-6-02, *Play of lottery by the public.*



Commissioner Sweeney moved to approve the Amendment Rule, as presented, in Final Form with Commissioner Vaci offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 – NO CHANGE**

Mr. Webster, presented to the Commission for approval two Administrative Rules, based on the Mandatory Rule Review pursuant to Chapter 119, No Change, in Proposed and Final Form:

- Rule 3770:1-2-04, *Actions by the director*
- Rule 3770:1-2-05, *Licensing decisions*

Commissioner Lewis moved to approve the Rule, as presented, in Proposed and Final Form with Commissioner McAleer offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **RESOLUTION TO APPROVE TOUCH & WIN EZPLAY® GAME THEME**

Mr. Webster offered a Resolution to approve one Touch & Win EZPLAY® game theme:

- *Jackpot Drop*

Commissioner Vaci moved to approve the Resolution 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. Webster offered a Resolution to approve thirty-two Video Lottery Game Themes.

Commissioner Morgan moved to approve the Resolution with Commissioner Sweeney offering a second to the motion. The motion was affirmatively voted upon by the Commissioners present.

### **WIRE ACT UPDATE**

Assistant Director Sean Webster provided an update to the Commission on the legal status of the Wire Act currently pending in Federal District Court. Questions were asked by Commissioners McAleer and Whalen.

### **FINANCIAL REPORT**

Greg Bowers, Deputy Director, Finance, provided the Commission a financial update for the month of May 2019.



Total traditional ticket sales for May were \$283 million, including gross MPNG Tap games. Draw game sales for May totaled \$141.8 million, \$15.3 million higher than the same month last year. Net instant ticket sales for May were \$141.2 million, \$7 million higher than the same month last year.

Operating transfers to the Lottery Profits Education Fund for May totaled \$100.4 million, \$7.1 million higher than our commitment and \$5.2 million higher than the same period last year.

During the month of May, VLT (net win) revenues were \$95.9 million. Of this, \$63.5 million was distributed to the Racinos as commissions earned and \$32.1 million represented revenue for the Ohio Lottery. VLT revenue increased by \$11.2 million compared to the same month last year.

Mr. Bowers also discussed the impact of recent changes to the State Operating budget as pending in the Ohio Senate. Additional comments were offered by Executive Director McDonald regarding his work to clarify language inserted into the budget bill related to transfer commitment dollars to the Department of Education.

### **DIRECTORS COMMENTS**

Executive Director McDonald briefed the Commission on the Lottery's participation with "Recovery Ohio" a program established by Governor Mike DeWine to ensure that Ohio acts aggressively to address and combat the public health crisis of unintentional drug overdoses. The Executive Director indicated that the Ohio Lottery will be an active agency partner within this program.

The Executive Director also shared a video highlighting the "Cash Explosion – Facing Hunger Campaign" and the significant assistance provided to members of the Dayton area who experienced a rash of severe weather in recent weeks.

Executive Director McDonald also updated the Commission on another initiative from the DeWine Administration, "Vision for Ohio". This program will involve various state agencies cross promoting Ohio's many assets and services.

Executive Director McDonald also briefed the Commission on the pending Intralot/CSP Lawsuit. This lawsuit was initiated by Intralot against DAS in Feb 2017 after they were not awarded a contract following the RFP process. The trial began yesterday, and seven Lottery staff have been subpoenaed as witnesses. Executive Director McDonald also provided an overview of what has already been decided by the Court and what questions remain to be decided at this trial regarding any credible warehouse allegations.

Questions were asked by Commissioners Sweeney, Mingo, Lewis, Vaci, McAleer and Whalen.



**ADJOURNMENT**

With no further business before the Ohio Lottery Commission, Chairman Whalen adjourned the meeting at 12:55 p.m.

A handwritten signature in blue ink that reads "Pat McDonald".

Pat McDonald, Executive Director

Approved:

A handwritten signature in black ink that reads "Sean Whalen".

Sean Whalen, Chairman