



**MINUTES OF THE MEETING OF  
THE OHIO LOTTERY COMMISSION**

**HELD AT:  
THE FRANK J. LAUSCHE BUILDING  
FOURTH FLOOR CONFERENCE ROOM  
615 WEST SUPERIOR AVENUE - CLEVELAND, OHIO 44113**

**SEPTEMBER 17, 2018  
12:00 P.M.**

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

**Members of the Commission:**

James Brady  
John Lewis  
Trevor McAleer  
Pat McDonald  
Angela Mingo  
William Morgan  
Sean Whalen

**Executive Staff of the Commission:**

Dennis Berg, Director  
Greg Bowers, Deputy Director, Finance  
Danielle Frizz-Babb, Deputy Director, Communications  
Maureen Hall, Interim Deputy Director, Information Technology  
Steve Kmiotek, Interim Deputy Director, General Services  
Nicole Kostura, Deputy Director, Government and Community Relations  
Sandy Lesko Sabbath, Deputy Director, Marketing Communications  
Charles LoPresti, Chief Legal Counsel  
Constance Miller, Deputy Director, Operations  
Richard Perk, Deputy Director, Sales  
Liz Popadiuk, Deputy Director, Human Resources  
Carla Tricarichi, Deputy Director, Public Policy  
Jennifer Wilson, Deputy Director, Internal Audit  
Traci Konesky, Assistant to the Director

**Also Present Were:**

Ron Fornaro, Instant Ticket Manager  
Martin Morrow, Assistant Deputy Director of Sales  
Karen Russo, Office of Public Policy  
Marie Kilbane Seckers, Office of Communication  
Rebecca McLemore, Office of Communications  
Shanicka Hardaway, Office of Human Resources  
Magnolia Deuell, Marcus Thomas  
John Walker, Scioto Downs  
Kyle Wentz, Hard Rock Rocksino  
Greg Kolocin, Hard Rock Rocksino  
Ed Dick, JACK Thistledown

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

- The Ohio Lottery Commission (“OLC”) meeting of September 17, 2018, was called to order at 12:05 p.m. at the Frank J. Lausche Building, Fourth Floor Conference Room by Chairman Pat McDonald, followed by the Pledge of Allegiance.

**ROLL CALL**

- The following members of the Commission answered present to the Roll Call: John Lewis, Trevor McAleer, Pat McDonald, Angela Mingo, William Morgan and Sean Whalen. Commissioner James Brady arrived following Roll Call at 12:07 p.m.

**INTRODUCTION OF FIRST TIME ATTENDEES**

- Chairman McDonald offered the opportunity for any first-time attendees to introduce themselves. However, there were no first-time attendees present.

**APPROVAL OF MINUTES OF AUGUST 20, 2018**

- Chairman McDonald requested a Motion to approve the August 20, 2018 Minutes. Commissioner McAleer made a Motion that was seconded by Commissioner Lewis. The Motion was affirmatively voted upon by all Commissioners present.

**CHAIRMAN'S COMMENTS**

- Chairman McDonald stated that sales for August were down from the same time last year by \$21.5 million. This was primarily due to a large jackpot last year. Director Berg and Mr. Bowers will provide more information.
- Chairman McDonald congratulated the OLC and the Office of Marketing Communications for winning an award for the InspiredOH campaign at a Content Marketing conference earlier in September. Ms. Lesko Sabbath will provide more details during her report.
- Chairman McDonald stated that the Combined Charitable Campaign kicked off on August 30, 2018 and goes through October 12, 2018. Ms. Kostura will play a video showing why OLC employees give to the campaign.
- Chairman McDonald stated that the North American Association of State and Provincial Lotteries ("NASPL") tradeshow will be in Cleveland next week from September 25, 2018 through September 27, 2018 at the Cleveland Convention Center and Global Center for Health Innovation. All Commissioners are welcome to attend.

**DIRECTOR'S REPORT, DENNIS BERG, DIRECTOR**

- Director Berg reported that August represented the second month of fiscal year 2019. Total Sales of \$265.8 million were down \$21.5 million or 8% lower compared

to last August. Multi-State game sales of \$18.3 million were down \$36.1 million or 66% lower than last August. Last year there was a \$758 million *Powerball*® jackpot which was the second highest U.S. jackpot offering in lottery history.

- Sales for the daily draw games such as Pick 3, Pick 4 and Pick 5 were \$52.5 million, up \$3.7 million or 8% from last August. Pick 4 and Pick 5 sales were records for the month of August. However, there were high payouts in both Pick 3 and Pick 4: 58% and 76% respectively. Normal prize expense should be around 50%, and this was a \$6.0 million impact on profit transfers.
- Director Berg reported that traditional Keno sales of \$36.2 million were \$2.5 million or 7% higher than last August and was an all-time monthly sales record for the month of August since the game went on sale in August 2008. The Lucky One sales were \$1.3 million for August, and this game did not exist last year.
- Instant ticket sales of \$136.7 million were \$6.8 million or 5% higher than last August and was a record sales month for the month of August. VLT sales were \$87.4 million, of which \$29.3 million went to the OLC. On a gross sales basis, this is \$8.3 million more than last August for an over 10% increase.
- Director Berg reported that transfers to the Lottery Profits Education Fund (“LPEF”) were \$87.7 million. This was roughly \$1.3 million under projections and \$11.8 million under last August’s transfer to the LPEF.
- Director Berg recognized Shanicka Hardaway for winning a 2018 NASPL Powers Award.

**APPROVAL OF THREE (3) INSTANT GAME RULES IN PROPOSED FORM**

- Mr. Fornaro brought before the Commission three (3) Instant Game Rules for approval in Proposed Form. The Rules are as follows:
  - Rule 3770:1-9-492, *I Love Cash* (\$2.00);
  - Rule 3770:1-9-493, *Casino Royale* (\$5.00); and
  - Rule 3770:1-9-494, *Fastest Road to \$1 Million* (\$30.00).
  
- Chairman McDonald then requested a Motion to approve the three (3) Instant Game Rules in Proposed Form. Commissioner Whalen made a Motion that was seconded by Commissioner Lewis. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES, MAUREEN HALL, DEPUTY DIRECTOR**

- Ms. Hall brought before the Commission a Resolution to approve fifty (50) new Video Lottery Game Themes. These game themes have been internally reviewed for technical compliance, content and game matrix. The fifty (50) new Game Themes are as follows: four (4) game themes submitted by Ainsworth; four (4) game themes submitted by Aristocrat; fourteen (14) games themes submitted by Aruze; three (3) game themes submitted by Bally; fifteen (15) game themes submitted by IGT; two (2) game themes submitted by Novomatic; one (1) game theme submitted by Spielo; and seven (7) game themes submitted by WMS.
  
- Chairman McDonald then requested a Motion to approve the Resolution for fifty (50) new Video Lottery Game Themes. Commissioner Morgan made a Motion that was seconded by Commissioner Brady. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**OFFICE OF GOVERNMENT AND COMMUNITY RELATIONS REPORT**

**NICOLE KOSTURA, DEPUTY DIRECTOR**

- Ms. Kostura played a video of why OLC employees give to the Combined Charitable Campaign.

**OFFICE OF FINANCE REPORT, GREG BOWERS, DEPUTY DIRECTOR**

- Mr. Bowers reported that total sales through August were less than last year by \$4.6 million due to the second highest jackpot in lottery history that was won on August 23, 2017. However, Pick 3 and Pick 4 sales were up over \$4.7 million over last year through August but resulted in higher prize payouts during the first two (2) months of the year.
- VLT results are also strong in the first two (2) months, up \$4.1 million over last year through August, and \$3.2 million more than the OLC's original forecast. Profits are up slightly over the OLC's commitment, but less than last year through August.
- Mr. Bowers reported that OLC staff is currently working on the Biennial Budget which is due to the Office of Budget and Management OBM on October 15, 2018. The OLC's internal deadline of October 1, 2018.
- OLC staff is also currently working on the 2018 Comprehensive Annual Financial Report ("CAFR"). All major sections of the CAFR, financial statements; notes; management discussion; and analysis, needed to be submitted to the Auditor of State last Thursday, September 13, 2018.
- Mr. Bowers reported that OLC staff has been working on bank cashing solutions over the last several months to fill the gap lost by PNC Bank. PNC Bank, who was the OLC's bank cashing partner for over twenty (20) years, did not bid on the contract this time due to many factors.

**OFFICE OF MARKETING COMMUNICATIONS REPORT, SANDY LESKO**

**SABBATH, DEPUTY DIRECTOR**

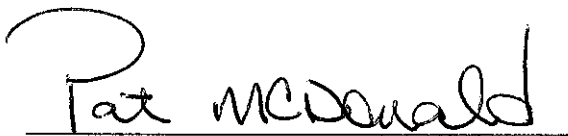
- Ms. Lesko Sabbath played one (1) television spot for the OLC's new annual campaign for its big tickets; and one (1) television spot that promotes the OLC's new EZPLAY® and instant Skee-Ball® games.
- Ms. Lesko Sabbath gave details on the content marketing award that the OLC won for its InspiredOH campaign.

**ADJOURNMENT**

- Chairman McDonald stated that the next Meeting will be held on October 15, 2018 at 12:00 p.m. Chairman McDonald adjourned the September 17, 2018 Meeting at 12:38 p.m.

Approved:

  
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Dennis Berg, Director

  
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Pat McDonald, Chairman

Pat McDonald, Chairman