



THE OHIO LOTTERY COMMISSION
MEETING MINUTES
DECEMBER 14, 2022
IN PERSON/VIA TELECONFERENCE

Members of the Commission

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

Director and Staff of the Ohio Lottery Commission Attending In Person & Remotely

Pat McDonald, Executive Director
Sean Webster, Assistant Director, Operations and Administration
Nicole Kostura, Assistant Director, Sales and Marketing
Collin Sheehy, Executive Assistant to the Director
Terri Jones, Administrative Assistant, Executive Office
Greg Bowers, Deputy Director, Office of Finance
Ron Fornaro, Scratch-Off Ticket Product Manager, Office of Sales
Nick Ciofani, Deputy Director, Office of Government & Community Relations
Jon Dillinger, Sports Gaming Operations Manager
Greg Beyer, Deputy Director, Office of Internal Audit
Susan Diamond, Office of Responsible Gambling
Danielle Frizzi Babb, Deputy Director, Office of Communications
Michael Gonzalez, Deputy Director, Office of Product Innovation
Marie Kilbane Seckers, Office of Communications
Ian Litherland, Sports Gaming Operations
Richard Perk, Deputy Director, Office of Sales
Carla Reeves, Office of Internal Audit
Marni Santoro, Office of Legal Counsel
Tom Spayd, Senior Regulator, Video Lottery Operations
Percy Turner, Deputy Director, Office of General Services
Tom Ackerman, Office of Marketing

Jimmie Hicks, Deputy Director, Office of Responsible Gambling
Marty Morrow, Office of Sales
Sharisse Russell, Office of Operations
Raymond Durant, Deputy Director, Security
Kara Rasmussen, Office of Legal Counsel
Sandy Lesko Sabbath, Deputy Director, Marketing
Chelsea Andorka, Office of Sports Gaming
Bryan Robinson, Office of Communications
Connie Miller, Director of Operations
Pam Strickland, Office of Sales
Hurst Talbott, Office of Product Innovation
Angela McCracken, Office of Sports Gaming
Chuck LoPresti, Chief Legal Counsel
Dan Carter, Office of Legal Counsel

Additional Attendees

Elizabeth Abate, Marcus Thomas, LLC
George Balajan, Intralot US
Ed Dick, JACK Entertainment
Larry King, IGT
Nora Larson, Recover Resources
Shelly Miller, MGM
Matt Oyster, Ice Miller, LLC
Sam Porter, Ice Miller, LLC
Craig Robinson, Miami Valley
Collen Rowan, IGT
Ricky Neal
Craig Robinson
Matthew Block
Claire Bennett
Debbie Pirone
Emily Venditti
Mike Baxter
Sarah O'Driscoll,
Sang Nguyen, Mahoning Valley Gaming
Melissa Snider, OBM
Jim McGeary
678-324-4113

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.

ROLL CALL

The following members of the Commission answered present to Roll Call: Matthew Blair, James Brady, Caryn Candisky, Nita Gupta, Angela Mingo, Martin Sweeney, Matthew Szollosi

APPROVAL OF OCTOBER 12, 2022 AND NOVEMBER 9, 2022 MINUTES

Chairman Blair presented to the Commission for approval the minutes from the October 12, 2022 and the November 9, 2022 Commission meetings. This was an oversight from the November Commission meeting. Chairman Blair made a motion to approve the minutes, seconded by Commissioner Sweeney. The motion was affirmatively voted upon by the eight Commissioners present.

APPROVAL OF SIX (6) SCRATCH-OFF GAMES IN PROPOSED FORM

Ron Fornaro, Scratch-Off Product Manager, presented before the Commission six (6) scratch-off games in Proposed Form.

- Rule 3770:1-9-780, Cash Explosion 5X (\$1.00)
- Rule 3770:1-9-781, Cash Explosion 10X (\$2.00)
- Rule 3770:1-9-782, Cash Explosion 25X (\$5.00)
- Rule 3770:1-9-783, \$1,000,000 Payout (\$10.00)
- Rule 3770:1-9-785, \$300,000,000 Extreme Cash (\$30.00)
- Rule 3770:1-9-786, Monopoly™ Cashword 10X@ (\$2.00)

Chairman Blair moved to approve the six (6) scratch-off games in Proposed Form, with Commissioner Gupta offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

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

Chuck LoPresti, Chief Legal Counsel, presented before the Commission five (5) scratch-off games in Final Form.

- Rule 3770:1-9-774, \$1,000 Win It All (\$1.00)
- Rule 3770:1-9-775, Mega Money Multiplier (\$2.00)
- Rule 3770:1-9-776, Lucky \$500s (\$5.00)
- Rule 3770:1-9-777, Precious Diamonds (\$10.00)
- Rule 3770:1-9-778, Nothing But Cash (\$20.00)

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

APPROVAL OF SEVENTEEN (17) SCRATCH-OFF RULES FOR RECISSION PRESENTED IN PROPOSED AND FINAL FORM

Chuck LoPresti, Chief Legal Counsel presented before the Commission Seventeen (17) Scratch -Off Rules for recission in Proposed and Final form.

- Rule 3770:1-13-01 Money Match
- Rule 3770:1-13-03 Happy Birthday
- Rule 3770:1-13-04 Bowling for Bucks
- Rule 3770:1-13-08 High 5
- Rule 3770:1-13-11 Countdown to 200
- Rule 3770:1-13-12 Easy 10
- Rule 3770:1-13-19 Stocking Stuffer

- Rule 3770:1-13-20 Wild Winnings
- Rule 3770:1-13-24 Monopoly™
- Rule 3770:1-13-31 S.U.V & Cash
- Rule 3770:1-13-32 New Year's Cash
- Rule 3770:1-13-39 Sweetheart Cash
- Rule 3770:1-13-42 Lucky Times Ten
- Rule 3770:1-13-100 Double Payout
- Rule 3770-1-13-101 Triple Luck
- Rule 3770-1-13-102 Big Money Spectacular
- Rule 3770-1-13-103 Mother's Day/Father's Day

Chairman Blair moved to approve the rescission of 17 Scratch-Off game rules as presented in Proposed and Final Form, with Commissioner Mingo offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners.

APPROVAL OF TWO (2) TOUCH & WIN EZPLAY® TAP GAME THEMES

Chuck LoPresti, Chief Legal Counsel presented before the Commission Two (2) Touch & Win EZPLAY® Tap Game Themes.

- First Down Fortune*
- Diner Dollars*

Commissioner Blair moved to approve the approval of Two (2) Touch & Win EZPLAY® Tap Game Themes presented with Commissioner Candisky offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Chuck LoPresti, Chief Legal Counsel, presented a Resolution to approve 38 Video Lottery Game Themes for inclusion in the video lottery game theme library.

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

FINANCIAL REPORT

Office of Finance Deputy Director Greg Bowers provided to the Commissioners a financial update for the month of November 2022. Sales from Traditional Lottery games for the month of November were \$396.2 million, which was up 16.2% (or \$55.2M) over sales generated last November. This was the 5th highest sales month on record.

Mr. Bowers indicated the variance could be attributed to the recent \$2 billion Powerball jackpot. The first three draws associated with that sequence for the month of November generated over \$49 million in sales. He also noted that those three draws alone generated \$19 million in profit, or roughly \$17.8 million more than what was expected.

Mr. Bowers also reported that draw-based games that increased last month include Rolling Cash 5, Keno, EZ Play, Lucky for Life, and the Lucky One. Altogether, draw-based games were up 38% over last year.

Sales from scratch-off tickets were \$183.2 million, which is the highest for the fiscal year, but down by 2.1% or \$3.9 million against last year.

On the VLT side, Deputy Director Bowers reported that Gross Gaming Revenue from VLTs for the month was \$105 million. The Lottery share of that revenue, after operating expenses was \$34.3 million, or \$1.4 million more than last year in November.

Overall, combined sales are now ahead of last year through November by \$80.2 million, or 4.6%.

Mr. Bowers noted that the fiscal '22 audit was released by the Auditor of State's Office and shared the annual comprehensive financial report with the Commissioners. He also indicated that this staff was diligently working on reconciliations and balancing for the end of the calendar year to issue W2-G and 1099 forms out by the end of January.

DIRECTOR'S REPORT

Director McDonald informed the Commission that the Lottery Profits Education Fund (LPEF) transfer for the month of November 2022 was \$135.4 million which is \$21.5 million more than November of 2021. This is the 3rd largest LPEF transfer in the history of the Lottery.

The Director announced that the Lottery received the signed sports gaming contract from Intralot who has been approved to use lottery-owned equipment and infrastructure. He also reported that the Ohio Controlling Board approved this contract at its meeting on Monday, December 12, 2022. There are now signed contracts with six proprietors.

It was announced that of the six licensed type C sports gaming proprietors Intralot, BetIGG, and UBetOhio have all committed to launch by the January 1st start date. BetSkyBox plans to be fully operational by the end of January with a slow rollout of equipment throughout the month. Gold Rush is looking to have implemented their solution throughout the month of February.

The Director then turned to Sports Gaming Operations Manager Jon Dillinger for additional updates on the January 1st launch. Mr. Dillinger informed the Commissioners that the proprietors are in the process of installing equipment and working on training the hosts and submitting their final financial plans to us. Mr. Dillinger thanked IT staff for the work they are doing to test the Intralot sports gaming solution on lottery equipment.

Mr. Dillinger also announced that the Ohio Casino Control Commission licensed J & J Ventures at their last meeting, marking the 7th type C sports gaming proprietor to get licensed. J & J Ventures is still working on their timeline to launch at host locations but is targeting sometime in the Spring.

Lastly, Mr. Dillinger indicated that the Lottery is providing information in preparation for the January 1st launch. Our website has been updated with information on host locations, claiming, links to proprietors' house rules, how to play guides and videos to help the public stay informed. He then turned back to the Director.

A brief update was given on Senate Bill 269, iLottery. SB 269 was assigned to the House Finance Committee after passing out of the Senate in June. If passed as is, the bill would authorize the Lottery to sell limited games online and increase commission to retailers.

Director McDonald informed the Commissioners of a recent meeting general managers of the seven racinos. They discussed how the implementation of sports betting was coming along, as well as year to date revenue performance and additional cross-promotional opportunities for the racinos and Lottery.

Director McDonald then asked Assistant Director Nicole Kostura about the recent marketing awards. Assistant Director Kostura informed the Commissioners that the Lottery along with our main advertising partner, Marcus Thomas LLC, won two Public Relations Society of America (PRSA) Cleveland Rocks awards. The recent social media promotion "The Waiting Game" received Golds in the "Best use of Instagram" and "Best Digital Campaign" for the innovation in consumer outreach.

Director McDonald announced the retirement of Sandy Lesko Sabbath, Deputy Director of Marketing. Deputy Director Lesko Sabbath started her career with the Lottery in 1991 as Communications Director until 2001. She returned to the Lottery in 2011 in her current role. She served under four different governors during her 22-year tenure.

Director McDonald then informed the Commissioners that Tom Ackerman, who currently serves as assistant marketing director, will be promoted as the new Deputy Director of Marketing upon Ms. Lesko Sabbath's retirement. Mr. Ackerman has been with the Lottery for 25 years.

The Director then reported about a recent meeting the several retailer associations where staff provided an update on the status of sports gaming and upcoming sales initiatives. The bulk of the meeting was a presentation by Lottery Sales leadership that highlighted some key points and statistics from the National Association of Convenience Stores Study (NACS).

Director McDonald then turned to Sales deputy directors Rick Perk and Marty Morrow who shared their NACS presentation. Of the many key takeaways, the study showed the importance the lottery for c-stores and provided useful data on how businesses can grow revenue by prioritizing lottery products. Mr. Morrow also highlighted how lottery products generate foot traffic and often bring additional revenue as players reinvest their winnings when they cash a ticket in-store.

Lastly, Director McDonald reminded the Commissioners in January as required by the Ohio Revised Code, we are to elect the Chair and the Vice Chair for 2023. Additionally, during the January meeting the Chair appoints the Problem Gambling Committee and the Audit Committee for calendar year 2023. The Audit Committee Chair will also be presenting their update on the Auditor of State meeting.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Chairman Blair informed Commissioners that the next meeting will be held on Wednesday, January 11, 2023, at 12:00 p.m. via teleconferencing and in person.

Respectfully Submitted,



Pat McDonald, Executive Director



Matthew Blair, Commission Chair