



THE OHIO LOTTERY COMMISSION
MEETING MINUTES
SEPTEMBER 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 (Via Teams)
Mark Rickel
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 Product Development
Nick Ciofani, Deputy Director, Office of Government & Community Affairs
Charles LoPresti, Chief Legal Counsel
Greg Beyer, Deputy Director, Office of Internal Audit
Ken Dauenhauer, Office of Marketing
Susan Diamond, Office of Responsible Gambling
Jon Dillinger, Lottery Sports Gaming Project Manager
Raymond Durant, Deputy Director, Office of Security
Tom Ackerman, Office of Marketing
Liz Alex, Deputy Director, Human Resources
Chelsea Andorka, Office of Sports Gaming

Scott Basom, Office of Security
Dan Carter, Office of Legal Counsel
Ray Durant, Deputy Director, Office of Security
Danielle Frizzi Babb, Deputy Director, Office of Communications
Scott Frost, Video Lottery Regulator
Michael Gonzalez, Deputy Director, Office Product Innovation
Marie Kilbane Seckers, Office of Communications
Connie Miller, Deputy Director, Office of Operations
Marty Morrow, Deputy Director, Office of Sales
Jane Parker, Office of Finance
Kara Rasmussen, Office of Legal Counsel
Carla Reeves, Office of Internal Audit
Sharisse Russell, Office of Operations
Marni Santoro, Office of Legal Counsel
Tom Spayd, Senior Regulator, Video Lottery Operations
Hurst Talbott, Project Manager, Office of Product Innovation
Allison Turner, Office of Marketing
Percy Turner, Deputy Director, Office of General Services
Joe Volpi, Office of Internal Audit

Additional Attendees

George Balajan, Intralot US
Claire Bennett, Cosgrove Jonhenry Law & Policy
Steven Berk, Giant Eagle
Matthew Block, Scientific Games
Holly Burton, Boyd Gaming
Mike Buzzelli, PGNO
Karen Cincione, Vorys Sater Seymour and Pease, LLC
Ed Dick, JACK Entertainment
Danny Eldridge, Hannah News Service, Inc.
Dustin Ensinger, Gongwer News Service
Debbie Pirone, Marcus Thomas, LLC
Craig Robinson, Miami Valley Gaming
Justin Remschneider, Boyd Gaming
Tim Kelly, Hollywood Gaming at Dayton Raceway
Jim McGeary, IGT
Shelly Miller, MGM Northfield Park
Alissa Naylor, BetMGM
Sang Nguyen, Miami Valley Gaming and Racing
Bill Ordine, BetOhio.com
Sarah O'Driscoll, Fahlgren Mortine
Sam Porter, ICE Miller, LLC

CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Vice 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, Jonathan Hughes, Angela Mingo (via Teams), Mark Rickel, and Martin Sweeney, Matthew Szollosi.

APPROVAL OF MINUTES OF AUGUST 10, 2022

Chairman Blair presented to the Commission for approval the minutes from the August 10, 2022, meeting. Chairman Blair made a motion to approve the minutes, seconded by Commissioner Gupta. The motion was affirmatively voted upon by the eight Commissioners present.

APPROVAL OF FOUR (4) SCRATCH-OFF GAMES IN FINAL FORM

Charles LoPresti, Chief Legal Counsel presented before the Commission four (4) scratch-off games in Final Form.

- Rule 3770:1-9-758, Pay Day Multiplier (\$2.00)
- Rule 3770:1-9-760, Emerald 7's (\$5.00)
- Rule 3770:1-9-761, Lucky (\$10.00)
- Rule 3770:1-9-762, Billion (\$50.00)

Chairman Blair moved to approve the four (4) 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 SIXTEEN (16) ADMINISTRATIVE RULES IN FINAL FORM

Mr. LoPresti presented before the Commission Sixteen (16) Administrative Rules in Final Form.

- Rule 3770:2-8-01, Scope and Purpose of the Ohio Voluntary Exclusion Program.
- Rule 3770:2-8-02, Application to participate in the Ohio Voluntary Exclusion Program.
- Rule 3770:2-8-03, Responsibilities of Voluntarily Excluded Individuals.
- Rule 3770:2-8-05, Removal from Ohio Voluntary Exclusion Program.
- Rule 3770:2-8-06, Responsible Gambling Plan.
- Rule 3770:2-8-07, Prior Voluntary Exclusions.
- Rule 3770:3-3-01, Authority and Purpose.
- Rule 3770:3-3-02, Definitions.

- Rule 3770:3-3-04, Type C Lottery Sports Gaming Host Operations: Equipment, Advertising, and Promotions.
- Rule 3770:3-5-01, Type C Lottery Sports Proprietor Duties.
- Rule 3770:3-5-02, Required Procedures.
- Rule 3770:3-6-02, Information Technology.
- Rule 3770:3-7-01, Wager Rules.
- Rule 3770:3-7-02, Tickets.
- Rule 3770:3-7-03, Advertising.
- Rule 3770:3-7-04, Promotions and Bonuses.

Chairman Blair moved to approve the Administrative Rules as presented in Final Form, with Commissioner Candisky offering a second to the Motion. The Motion was affirmatively voted upon by the Commissioners present.

RESOLUTION TO APPROVE ONE (1) TOUCH & WIN EZPLAY® TAP GAME THEME

Mr. LoPresti presented before the Commission One (1) Touch & Win EZPLAY® Tap Game Theme

- *Cash Alley*

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

RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES

Mr. LoPresti presented a Resolution to approve 41 Video Lottery Game Themes for inclusion in the video lottery game theme library.

Chairman Blair moved to approve the Resolution, with Commissioner Hughes 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 August 2022.

Sales from traditional lottery games for month of August were \$344.2 million, which was a 1.4% decrease from sales generated last fiscal year.

Sales from scratch-off tickets were \$182.0 million, down slightly from last year by only 1.0% or \$1.9 million. Draw-based game sales were down 1.9% or \$3.1 million from last year in August.

Multi-state jackpot games Mega Millions and Powerball were down by 13.5%, as jackpot levels advertised were lower this year vs last year. The highest jackpot for Mega Millions was \$153 million vs \$306 last August, while for Powerball the high was \$134 million vs \$332 M last August.

Sales derived from the daily draw games Pick 3, Pick 4, and Pick 5 also fell against last year, down 8.0% or \$5.4 million.

Gross Gaming Revenue from VLTs for the month was \$111.7 million, down 1/10th of 1% (0.13%). Net profit from that equaled \$36.6 million, which was just \$55,000 less than last year.

The Accounting department is wrapping up the annual audit with the Auditor of State and is still putting together the annual comprehensive financial report (ACFR). They have completed draft Financial Statements, the Management Discussion & Analysis, Notes to the Financial Statement, and Stats. The lottery is to send all components to the AOS for their review next week and plans to receive the opinion letter dated on September 30th.

The Lottery is working towards developing the next budget for the fiscal year 2024-2025 Biennium. The focus for the next several weeks is to work with Sales/Marketing, along with data analytics, to begin drafting sales forecasts.

Finance is also heavily involved in incorporating sports gaming into our financial reporting model and assisting with the launch on Jan 1st.

DIRECTOR REMARKS

The Director informed the Commission that the LPEF transfer for the month of August 2022 was \$110 million which is our second highest August to date and \$3.3 million less than August of 2021. For the first two months of the fiscal year, we are \$11.2 million ahead of last year. This is largely due to the \$1.3-billion-dollar jackpot in July.

The Director introduced the newest member of the Lottery senior staff Jimmie Hicks, who will be replacing Karen Russo as Deputy Director of Responsible Gambling. Deputy Director Hicks introduced himself and gave a brief overview of his professional background.

Director McDonald informed the commission that as of last week, the Ohio Lottery has recommended 1,368 host locations to the Ohio Casino Control Commission. They have received 827 host applications and have approved 500. We are currently working with 7 vendors that will be offering sports betting to the retailers pending issuance of Proprietor licenses by the OCCC.

Sports Gaming Operations Manager Jon Dillinger gave an update his department's work and progress to implement lottery sports gaming. He provided an update on the lottery sports gaming rules as they work through the rulemaking process, highlighted his department's continued work on operating standards for the proprietors, and answered questions on how the different proprietors are proposing to set-up their equipment and systems in host locations.

Deputy Director of Marketing Sandy Lesko Sabbath and Marketing Assistant Director Tom Ackerman gave a presentation on the upcoming holiday season ticket support and advertising campaign strategies.

Director McDonald spoke about First Lady Fran DeWine work to expand the Dolly Parton's Imagination Library throughout Ohio. Director McDonald provided an overview of the program and informed the Commission that the Lottery will be highlighting the importance of the program on the Cash Explosion Show. Both Director McDonald and Chairman Blair expressed the importance in promoting this program.

Director McDonald gave an update on the Combined Charitable Campaign. The Lottery has donated over \$28,600 to the campaign, The Lottery would like to exceed its goal of \$47,000. The Director urged those who have not donated at this time to please consider contributing. Participation is important.

Chairman Blair introduced Ray Durant, Director of Security at the Lottery. Director Durant's son Tyson was recently awarded a 4-year scholarship for football by the University of Akron Zips.

EXECUTIVE SESSION

Chairman Blair made a motion that the commission would go into executive session for the purpose of discussing the investigation and discipline of certain public employees pursuant to Ohio Revised Code 121.22 and Ohio Revised Code 149.43. the motion was seconded by Commissioner Sweeney.

The following members of the Commission answered present to Roll Call: Matthew Blair, James Brady, Caryn Candisky, Jonathan Hughes, Nita Gupta, Angela Mingo (via Teams) Mark Rickel, and Martin Sweeney.

Also present was, Director Pat McDonald, Assistant Director Sean Webster, Assistant Director Nicole Kostura (via Teams), Executive Assistant to Director, Collin Sheehy, Deputy Director of Human Resources, Liz Alex, Deputy Director of Security Raymond Durant, Chief Legal Counsel Charles LoPresti and Deputy Chief Legal Counsel Dan Carter. Guests were asked to leave the conference room and commission meeting recording was stopped.

The Commission moved into Executive Session at 1:28 pm.
The Commission moved out of Executive Session at 2:00 pm.

ADJOURNMENT

With no further business before the Ohio Lottery Commission, Chairman Blair informed Commissioners that the next meeting will be held on Wednesday, October 12, 2022, at 12:00 p.m. via teleconferencing and in person.

Respectfully Submitted,



Pat McDonald, Executive Director



Matthew Blair, Commission Chair