

PUBLIC

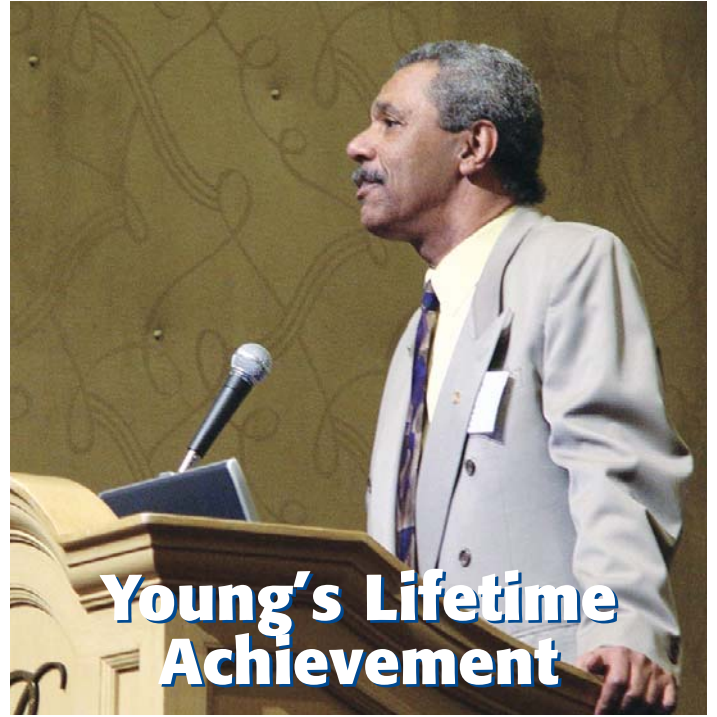
# GAMING

I N T E R N A T I O N A L

World's most widely read Lottery-Racino-Gaming magazine • Video, Racino, Casino, Internet, Wireless, Online, Scratch-Off



**OK Governor Henry**



**Young's Lifetime Achievement**



**New Directors**





**A World of Innovation  
for the Video Lottery Marketplace.**

*International Game Technology  
Redefining What's Possible*



**International Game Technology**

**Sales Headquarters – IGT Las Vegas**

1085 Palms Airport Drive, Las Vegas, NV 89119-3749 • 702-896-8500 Fax 896-8686 • [www.IGT.com](http://www.IGT.com)



PUBLIC

# GAMING

I N T E R N A T I O N A L



On the Cover:  
 Oklahoma Governor Brad Henry;  
 IGT's Jerry Young;  
 CA Director Chon Gutierrez;  
 IN Director Esther Schneider;  
 SD Director Norman Lingle;  
 OH Director Tom Hayes

## Departments

Publisher's Page	2
Industry News	4
Around the World	6
Racino News	22
Games People Play	23
Video News	24
On the internet	25
People	26
RoundUp	27



# Features

- 7 Split Florida Vote Leaves Much Up in the Air**  
 Broward County gets slots, but Miami-Dade's failure could have repercussions.
- 8 The Maturing Canadian Market**  
 Expansion may be the thrust in the U.S. gaming market, but the focus has shifted to discretion in Canada
- SMART-Tech 2005**
- 10 Oklahoma Governor Brad Henry Speaks at SMART-Tech 2005**
- 12 Jerry Young Receives Lifetime Achievement Award at SMART-Tech 2005**
- 13 SMART-Idea: D.C. Lottery Tax Top Signs**
- 14 SMART-Tech Photo Collage**
- 16 Emerging Online Lottery Players Research Panels**  
 The Internet has become a key resource for developing market research.
- 18 Meet the New Directors**  
 Several new U.S. Lottery Directors have taken office in the last few months.
- 20 California Lottery Employs Technology to Actively Market Promotions**  
 The California Lottery is providing localized promotional information to individuals browsing its public website.

Public Gaming International is now also available on the web.

[www.publicgaming.org](http://www.publicgaming.org)

### PUBLIC GAMING INTERNATIONAL

<b>PUBLISHER</b> Duane V. Burke	<b>CEO/CHAIRMAN</b> Duane V. Burke	<b>CIRCULATION</b> Tel: (425) 935-3159 (800) 493-0527
<b>EDITOR</b> Todd Koepfen	<b>DIRECTOR OF OPERATIONS</b> Susan Jason	<b>Fax:</b> (206) 232-2564 (800) 657-9340
<b>ART DIRECTOR</b> L. Robinson	<b>EXECUTIVE VICE PRESIDENT</b> Doris J. Burke	<b>FORMER DIRECTOR</b> Ralph Batch

### ADVERTISING SALES

<b>VICE PRESIDENT OF MARKETING</b> Susan Burke Tel: (425) 985-3159 (800) 493-0527	<b>VICE PRESIDENT OF SALES</b> Raquel Orbeagozo Tel: (425) 765-4119 (800) 493-0527 Fax: (206) 232-2564 (800) 657-9340
--	--

Public Gaming International (ISSN-1042-1912) March 2005, Volume 31, No. 3. Published monthly by the Public Gaming Research Institute, Inc., 218 Main Street, #203, Kirkland, WA 98033. (425) 935-3159. ANNUAL SUBSCRIPTION RATES: United States: \$145. Canada & Mexico: \$160(U.S.). All other countries: \$225(U.S.). POSTMASTER: Send address changes to Public Gaming International, 218 Main Street, #203, Kirkland, WA 98033. SUBSCRIPTION REQUESTS: Sent to same address. NOTE: Public Gaming International is distributed by airmail and other expedited delivery to readers around the world. ©2005 All rights reserved. Public Gaming Research Institute.

E-mail: [publicgam@aol.com](mailto:publicgam@aol.com)

Web site: [www.publicgaming.org](http://www.publicgaming.org)

Public Gaming Research Institute's  
**International**  
**EXPO/ILAC'05**  
**CONGRESS**  
Bellagio Hotel, Las Vegas  
July 11-14, 2005

***The International Lottery & Gaming Expo & ILAC Congress*** is the international conference for Latin, Caribbean, and other overseas, government operators, private operators on behalf of government and suppliers charged with maximizing revenues for lotteries, racinos and other gaming enterprises. The focus will be on the latest and smartest technologies and innovations for dramatically increasing sales and maximizing profits.

## Schedule

*Simultaneous English/Spanish translation will be available for all sessions*

**JULY 10 - Sunday**  
8am-Midnight – Exhibit Set-up

**JULY 11 –MONDAY**  
**8am – 2pm** – Exhibit Set up  
**12 NOON – 7pm** Registration Open/  
**2pm – 3pm**  
Orientation for THOSE NEW TO the Gaming & Lottery industry  
**3pm – 5:30pm** – General Session I  
WELCOME TO EXPO-ILAC 2005

Speaker:  
**Duane Burke**  
CEO, Public Gaming Research Institute, Inc.;  
Publisher, Public Gaming International Magazine

**5:30pm – 7:30pm**  
Reception in Exhibit Area

**JULY 12 – TUESDAY**  
**8am – 9am** – Continental Bkfst - Exhibit Area  
**8am – 5:30pm** – Registration Open  
**9am – 1pm** – General Session II  
**1 – 3pm**  
Luncheon & Networking - Exhibit Area  
**3pm – 5pm** – General Session III  
**5pm - On**  
Evening Open

**JULY 13 – WEDNESDAY**  
**8am – 9am** – Continental Bkfst - Exhibit Area  
**8am – 2:30pm** – Registration Open  
**1– 2pm**  
Luncheon & Networking in Exhibit Area  
**2:30pm – 6:00pm**

### VIP TOUR OF GAMING TECHNOLOGY

Limited to government representatives only. Transportation will depart from the front entrance of Bellagio at 2:30pm and will return by 6:00pm.

*The most advanced and proprietary technologies of these companies will be presented.*

Refreshments, paid for by conference Host Public Gaming Research Institute, will be served.

**5:30pm – Evening Open**

**JULY 14 - THURSDAY**  
**8am – 9am** – Continental Bkfst - Exhibit Area  
**9am – 11am**  
EXPO-ILAC AWARDS  
CLOSING DISCUSSIONS  
**11am**  
Conference Adjourned

### OPEN TO GOVERNMENT AND INDUSTRY

*For Sponsorships, Exhibiting and Attendance information:*

see: [www.publicgaming.org](http://www.publicgaming.org) or  
e-mail: [susanjason@aol.com](mailto:susanjason@aol.com) or  
call in the US: 425-985-3159

# EXPO ILAC

## **International Lottery & Gaming EXPO and ILAC Congress 2005**

**Bellagio Hotel, Las Vegas, Nevada**

**July 11-14, 2005**

**For more information,  
contact Susan Burke at:  
800.493.0527 or [susanjason@aol.com](mailto:susanjason@aol.com)**

# Industry News



## Scientific Games Acquires PTI Assets

Scientific Games Corporation has reached an agreement with Promo-Travel International, Inc. (PTI) to acquire the company's portfolio of lottery contracts and lottery licensing agreements, as well as all intellectual property to include registered trademarks and pending trademarks specific to the lottery industry. Financial terms of the agreement were not disclosed.

Scientific Games will assume the respective obligations outlined in each PTI lottery contract, including all prize merchandise and travel-related fulfillment. The agreement brings Park Place Interactive's Caesars Palace®, Shuffle Master's Let It Ride®, and Mikohn® Gaming Corporation's Caribbean Stud Poker® brands, among others, to the library of lottery properties managed by Scientific Games wholly owned subsidiary, MDI Entertainment.

As a component of the transaction, Atlanta-based Promo-Travel International and its principals, David Alpert and Charlie Mintz, have signed business protection contracts whereby they have agreed not to participate in future North American lottery business ventures. The respective terms are five years for PTI and Mr. Mintz, and three-and-a-half years (42 months) for Mr. Alpert.

## Pennsylvania Selects GTECH for Slot Central System

Pennsylvania Secretary of Revenue Gregory C. Fajt announced that he has selected GTECH Corporation to supply a central control computer system that will monitor slots gaming in Pennsylvania. Fajt said the Department will immediately begin negotiations with GTECH on a five-year contract, and that the company will be paid a percentage of slots gaming gross terminal revenues to supply and operate the central control computer.

Although the cost of the contract is still subject to negotiation, Fajt said the Department estimates that annual costs will not exceed \$6.3 million once all 14 slots venues are fully operational. The Department will pay some equipment costs up front, but most of the payments to GTECH will not occur until slots gaming facilities begin operations.

The central control computer system provided by GTECH will be capable of supporting up to 61,000 slot machines throughout the state. It will allow state regulators to monitor individual slot machines, in real time, to ensure the integrity of slots gaming and to ensure that state taxes on gaming are collected. The central control system will also:

- Use a widely accepted gaming industry protocol to facilitate the ability of slot machine manufacturers to communicate with the statewide system. The system will be capable of supporting additional protocols if they become available.
- Support in-house and wide area progressive slot machines as approved by the Pennsylvania Gaming Control Board (GCB).
- Permit slot machine licensees to install independent player tracking systems and cashless technology as approved by the GCB.
- Not alter the statistical awards of slot machine games, as designed by slot machine manufacturers and as approved by the GCB.
- Provide redundancy so that each component of the network will be capable of operating independently if any component of the network, including the CCS, fails or cannot be operated.
- Meet all reporting and control requirements required by the Department and the GCB.

## Intralot and Hilton Form Alliance

Intralot and the Hilton Group, through its betting and gaming subsidiary Ladbrokes, have agreed to establish a global strategic alliance incorporating the lottery, betting, casino and gaming markets. Intralot already has an established cooperation with Hilton

Group through its Ladbrokes subsidiary, providing fixed odds consultancy to Intralot for its Greek sports betting operations. The two parties have agreed to cooperate on projects concerning State Lottery privatizations, to participate in tenders issued by state and private lotteries and to negotiate directly with potential clients.

## Aristocrat Names KGM its Pennsylvania Distributor

In conjunction with its major sponsorship of the first annual Pennsylvania Gaming Congress, Aristocrat Technologies announced that it has named Keystone Gaming Company LLC (KGM Gaming) its exclusive gaming machine distributor in Pennsylvania. Pennsylvania legislation currently requires that gaming manufacturers place products in the state only through Pennsylvania-based licensed slot suppliers.

## FTC Requests Information from Penn, Argosy

Penn National Gaming, Inc. and Argosy Gaming Company announced that, as expected, they have received a request from the FTC for more information relating to the previously announced merger of Penn National and Argosy. The companies intend to respond promptly to the information request. This "second request" extends the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 during which the FTC reviews the transaction.

## Sports Toto Signs with Scientific Games

Scientific Games completed an agreement with Sports Toto Co., Ltd., a Korean company, to supply equipment, a software license and related software maintenance and support for its development of a fixed odds gaming system. The agreement is for four years and is valued at \$5 million over the term of agreement.

Sports Toto Co., Ltd. currently operates its gaming system for conducting a sports betting lottery for the promotion of sports in the Republic of Korea. Sports Toto intends to introduce Scientific Games' AEGIS™ Oddset Control System (OCS) and Oddset Information System (OIS) and related software maintenance services for fixed odds games. This agreement will expand Sports Toto's portfolio of sports betting lottery games and products in the Republic of Korea. The official operation of the system in Korea is scheduled to launch in the first half of 2005.

## IGT Creates Asian Division in Macau

IGT has announced the formation of a new company division to service the Asian gaming markets. The new division, IGT-Asia, will be located in Macau and will be headed by Managing Director Scott Winzeler, formerly IGT's Director of International Markets.

## New Hampshire Extends Scientific Games

Scientific Games announced that the New Hampshire Lottery Commission has extended the company's online lottery contract through June 2010. The four-year extension was the maximum possible under the existing contract and is worth an estimated \$24 million ...continued on page 23.



# casino design

A  EVENT

## IN CASINO DESIGN, SUCCESS IS IN THE DETAILS. AND THE DETAILS ARE IN THE SHOW.

**June 22-24, 2005**  
**WYNN LAS VEGAS, LAS VEGAS, NEVADA**


If you're a casino planning or development executive, an architect, an interior or exterior designer, a builder, or a developer, Casino Design is a must-attend event. You won't find a more detailed or intimate look at design and development in the gaming industry anywhere. And you won't want to miss the 3rd annual AGA Casino Design Awards program featuring the Sarno Lifetime Achievement Awards.

**Register today for this Global Gaming Expo (G2E) event.**  
Go to [www.G2Ecasinodesign.com/AD](http://www.G2Ecasinodesign.com/AD)  
or call 1-800-843-5599 x5557 or 1-203-840-5557.



An American Gaming Association Event

Organized by

 Reed Exhibitions

global   
gaming  
expo



### **Australia**

Oberthur Gaming announced the extension of its contract with the Lotteries Commission of South Australia ("SA Lotteries"). The original contract was signed in 2000 and includes the printing of the total volume of the SA Lotteries' Instant Scratchies tickets.

Australian Powerball changes mean that the minimum Division One prize pool offering will now increase to \$3 million, with prizes in each of the seven divisions also being increased. The changes have been made possible by the first price rise since the game's launch in 1996. The subscription price of Powerball tickets will increase from 50c to 55c per game (excluding retailer commission). The rise will take effect in all states.

### **Brazil**

Brazilian telecom service provider Vicom has won a 283 million real (US\$109 million) contract to supply IT equipment and telecoms services for federal bank Caixa Econômica Federal. Under the 60-month contract Vicom will supply CEF's network of 9,000 service points with 25,000 machines that will issue lottery slips as well as the necessary telecommunication and data transfer services.

Comsat International, Inc. won a public auction to build, operate and manage the communications network for the national lottery and transaction clearinghouse network in Brazil. The program is being led by Caixa Economica ("Caixa"), Brazil's state owned financial institution, which manages the national lottery and will require Comsat to build, own and operate the network. This national lottery network is to be operated by Comsat under a 5 year, 283 Million Reais (US \$108 Million) contract. Comsat will own the network and operate it for the entire term of the contract with Caixa.

### **Finland**

Finnish lottery Veikkaus made a game reform to its Fixed Odds Betting product in mid-February. Players now have a chance to bet on events that were not previously offered in Fixed Odds Betting. The new events include ski jumping, skiing, biathlon, and Alpine skiing.

Finns spent an average of 248.10 euros per capita on Veikkaus' games last year (rounds 1-53) (vs. 239.30 euros in 2003, rounds 1-52). The increase can be explained by the jackpots in Lotto and the game reform in Fixed Odds Betting which made the game the third most popular of Veikkaus' games.

### **France**

La Française des Jeux recently received the Golden Award for its "Espace Joueurs" (Player's Area, merchandising equipment) in the category "Culture, leisure & electronic" during the Gala Reception of the POPAI Europe Awards 2004. The judging panel, consisting of over 150 European professionals, awarded La Française des Jeux' latest merchandising equipment covering 13 judging criteria (aesthetics, design, innovation, technical design, quality/price ratio, etc.). This new equipment designed in collaboration with the retailers has already proved a tremendous success: more than 3,300 orders have been registered since the beginning of its marketing, in June 2004.

### **Germany**

EssNet has finalized a contract under the cooperation agreement signed in 2004 with Lotto Rheinland-Pfalz, Germany. Under the terms

of the contract, EssNet will supply 1,150 E6 lottery terminals, including project management and training.

### **Greece**

The Greek Organisation of Football Prognostics (OPAP) reported a 39.5% increase in its 2004 consolidated turnover to 3.177 billion Euro from 2.277 billion Euro in 2003. Its pre-tax profits jumped 85.1% to 742.3 million Euro from 401 million Euro over the same period. Parent sales rose 35.8% to 3.068 billion Euro last year from 2.259 billion Euro in 2003, while pre-tax profits soared 93.1% to 736.5 million Euros in 2004. Betting revenues fell 2.8% to 1.601 billion Euro, while Joker revenues rose 26.7% and Proto lottery revenues rose 4.5% to 270.7 million and 50 million Euro, respectively. Revenues from KENO totalled 944.1 million Euro.

### **Hungary**

EssNet signed three new contracts with Szerencsejáték Rt, the national lottery in Hungary. Under the terms of the contracts, EssNet will deliver 950 E5 terminals, an Event Ticketing system implemented in the EssNet ELOS lottery system, and an On-line Instant Scratch Ticket Module implemented in the ELOS system for on-line validation and handling of the logistics.

### **Lebanon**

Oberthur Gaming has been awarded a two-year contract for the manufacturing of lottery tickets for La Libanaise des Jeux (Lebanon). OGT will also provide the Lottery with marketing support related to its instant tickets.

### **Liberia**

InLott Lottery Incorporated, an India-based lottery company, recently launched instant scratch tickets in Liberia. Scratch tickets are being sold for LD \$10.00 each, at booths in Monrovia, and winners can receive their cash prize immediately. A portion of the proceeds go to the government of Liberia through the Liberia National Lotteries for the welfare of under privileged people of Liberia.

### **New Zealand**

GTECH has been selected as the lead bidder by New Zealand Lotteries Commission (NZ Lotteries) to begin negotiations for a complete lottery system conversion to include a new integrated online and instant lottery system and new terminals.

### **Nigeria**

NSL Lotteries Management Company launched Lotto Nigeria on Thursday, February 3. The first live draw was broadcast on Saturday, February 12 at 8pm.

### **Peru**

Loterías PerúGana and Sociedad Beneficencia Pública de Jaen of Peru celebrated the first anniversary of Gana Diario - one of the most popular games of the lottery - with a special two-day event. The event took place at Jaen and focused on seniors and children with low economic resources. Highlights included special prizes for the best local students, an initiative aiming to encourage them to continue their efforts for being better students.

### **Sweden**

Svenska Spel, the Swedish National Lottery, had another record year with gross sales of 20.2 billion SEK (2.2 billion Euro) for 2004. This was an increase of 3.5%. The preliminary revenue was 4.8 billion SEK, up 2.7% compared to the previous year. This increase was mainly due to growth for the casinos (+ 18.6%) and Internet gaming. Internet sales were up from 495 to 777 million SEK (85 million Euro) in 2004 which

...continued on page 23.



# Split Florida Vote Leaves Much Up in the Air

As far as expanded gambling in Florida goes, we've got some good news and some bad news for you. While that statement is true whatever your personal stance might be on gambling in Miami-Dade and Broward Counties, more detailed definitions for your particular stance follow.

Gambling proponents were thrilled that Broward County approved the implementation of slots with 57 percent of the vote. There were 105,939 votes for the machines, and 79,875 votes against. The news that the initiative passed in Broward County is further enhanced by the fact that four of the seven pari-mutuel facilities that were eligible to offer slots reside in Broward County (Gulfstream, Hollywood Greyhound Track, Dania Jai-Alai and Pompano Park.). That means that 57 percent of the facilities in question will reap the rewards of a successful campaign.

On the other hand, gambling opponents were ecstatic to find that Miami-Dade County rejected slots by a vote of 52 percent. There were 73,327 votes for the machines, and 79,884 votes against. While only three of the seven facilities in question actually reside in Miami-Dade County (Flagler Dog Track, Churchill's Calder Race Course, and Miami Jai-Alai), opponents to the initiative are declaring that the slots failure in Miami-Dade County means that there is no overwhelming desire for gambling to be expanded in Southern Florida; therefore, they reason stricter regulations should be implemented on eligible facilities in Broward County.

## Why Did Miami-Dade Fail?

In November 2004, the constitutional amendment that allowed Miami-Dade and Broward County residents to vote on implementing slots at tracks received overwhelming support. More than two-thirds of Broward voters were in favor of voting on slots and approximately 57 percent of Miami-Dade voters were in favor of the amendment.

Why did the final vote fail in Miami-Dade and see a 10 percent drop in Broward County approval? Two major reasons are voter turnout and Florida Governor Jeb Bush.

In the November 2004 general elections, 704,643 Miami-Dade citizens voted on Amendment 4 (slots at tracks), with 57 percent of that vote being in favor of the amendment. In the March 8, 2005 special election, only 153,211 citizens voted – little more than one-fifth of the number that voted in November.

It is highly likely that a great number of these voters were inspired to cast a vote against slots due to the heightened lobbying efforts of Governor Bush. Bush was unable to devote much time to the slot issue prior to the November elections. His efforts to thwart the amendment were limited to a few public statements and some targeted emails to Republican supporters. While there are no clear-cut answers as to why, one could assume that his actions were influenced by his duty to provide support to several candidates on the ballot, including his brother who was involved in a very close presidential race with Senator John Kerry.

For the March special election, Governor Bush was able to devote a great deal of attention to keeping slots out of Miami-Dade County. His efforts, combined with a low voter turnout spelled doom for the

Miami-Dade slot proponents, and likely influenced the decline in slot support for Broward County.

## What is a Slot Machine

What is a slot machine? That is the question currently being debated by Florida lawmakers. Governor Bush is adamantly insisting that there is nothing in the passed legislation that would keep lawmakers from limiting Broward pari-mutuel facilities to Class III machines.

Of course, if one looks at legislation passed by other states (i.e. New York) it is clear that law makers in these jurisdictions went out of their way to ensure that the public recognize that Class III machines are NOT slot machines.

Why are gambling opponents concentrating so hard on ensuring that Class III machines do not get implemented? After all, the machines would only reside in one county out of fifty-four.

The answer is that if Broward County is allowed to implement Class III slots, then the Seminole and Miccosukee tribes would also be allowed to offer the machines in their seven collective casinos. These tribes have no compact with the state, but under federal law are entitled to the same level of gambling allowed in any area of a state.

The tribal gaming issue combined with a gambling opponent base utilizing momentum provided by split election results likely means that as legislators decide what types of machines will be implemented at Broward, and how they'll be taxed and managed, it will be difficult for the tracks to get everything they had hoped for.

As it is, Florida legislators are currently considering instituting upfront licensing fees, limiting the hours the facilities could operate, limiting the number of slots at each facility, setting parameters that would require the industry to invest portions of the profits into improving facilities, and prohibiting ATMs from issuing anything larger than \$20 bills.

Still, there is still a long road ahead for Florida's slots issue. Legislators have until July 1 to write regulations and determine tax rates.

## Broward Baenefits

Slot-proponents claim that in addition to creating as many as 9,000 jobs in Broward County (with an average annual pay of \$39,000 and all benefits), tax revenue from machines in Broward County could generate as much as \$300 million annually for the state, and \$50 million for the County. These figures are based on a 30 percent tax rate.

Of course, the tax rate is subject to debate, and one entity, the Broward School Board is seeking a much higher rate. Board Chairwoman Stephanie Kraft initially proposed a 40 percent tax, but eventually the board decided to aim high and go for a 50 percent rate.

While many issues are up in the air concerning the results of the Broward vote, one thing is certain in Miami-Dade County. Slot-proponents will be refocusing their efforts for a new vote in 2007. ♦

# The Maturing Canadian Market

While several U.S. states are considering legislation to add or expand gaming terminals, the Canadian provinces have been gaining experience with the machines for a number of years. Expansion may be the key word in the U.S., but in the mature Canadian market the focus has shifted towards discretion.

Across the provinces, Canadian machines are equipped with responsible gaming features that keep gamblers aware of their fortunes in any given session. Machines are being programmed to tell gamblers how much they've lost, how long they've been gambling on a machine, and some even allow bettors to set loss limits.

What's more, one province, Quebec, is actually moving to reduce the number of machines, while another, Ontario, has declared an end to the era of expanding gambling.

## Quebec

The Government of Québec recently approved Loto-Québec's 2004-2007 Development Plan, which calls for a significant reduction in the number of VLTs and sites where they are installed. In the end, the number of terminals will be reduced by at least 730 in accordance with the Government's commitment to combating compulsive gambling.

By diminishing the number of sites equipped with these units by 31%, the Government will be substantially decreasing accessibility. In effect, a total of 2,500 terminals will be withdrawn from the network of licensed establishments, with a certain number of these units to be relocated to controlled sites. Bar owners who will see their units removed are to receive formal notice 12 months prior to their removal, along with financial compensation equal to their commission received over the past year for each unit withdrawn.

Loto-Québec has also increased its annual budget for the prevention and treatment of compulsive gambling from \$20 million to \$25 million, and a special committee will be set up to establish a code of ethics governing the operation of video lottery terminals.

"The consolidation of VLTs in controlled sites promises to help reduce the incidence of compulsive gambling", underlined Mr. Séguin, who will be pursuing discussions with Loto-Québec about effectively implementing the controlled sites. The Finance Minister went on to point out that Loto-Québec's proposed plan for revamping the VLT network in order to reduce overall game offerings is based on the findings of scientific studies, as well as on the comments and opinions of individuals actively involved in the milieu.

Quebec is the first jurisdiction in North America to undergo such a significant reduction in the number of VLTs and VLT sites in order to combat compulsive gambling.

## Ontario

In January, 2005, the Ontario government announced a new gaming strategy, which includes no additional casinos, an increased focus on social responsibility and a commitment to ensuring the competitiveness of Ontario's gaming industry.

"Our plan puts social responsibility front and center in the management of gaming in Ontario," said Economic Development and Trade Minister Joseph Cordiano. "We are building a responsible, sustainable plan that also safeguards jobs and public investments in

Ontario's gaming assets."

The government was very specific in announcing that there will be: no additional commercial or charity casinos; no additional race-track slot facilities, beyond Picov Downs and Quinte Exhibition and Raceway; no VLTs in neighborhood bars and restaurants; no slot machines in bingo halls; and no provincial involvement in Internet gaming.

The Ontario government already dedicates two percent of gross slot revenues from racinos and charity casinos to problem gambling (\$36 million in 2004-05). To bolster this, the government will invest \$4 million into problem gambling awareness campaigns over the next two years; establish new customer service centers, staffed by problem gaming counselors, in commercial casinos; and develop education and training programs for retailers and employees in the socially responsible delivery of services. Additionally, the Ontario government has asked former Queen's University Law Professor Stanley Sadinsky to make further recommendations on how to help guide further enhancements to its problem gaming strategy.

Of course, it is important to note that this stabilization of the Ontario gaming industry does not mean that the government is not focusing on increasing revenue from existing facilities. Minister Cordiano has instructed the OLGC to enhance the competitiveness of existing gaming facilities; upgrade existing sites to respond to increasing competition; explore options for the expansion of non-gaming amenities at Casino Windsor; and to launch an e-bingo pilot project to revitalize the charity bingo industry.

More than 20,000 jobs in Ontario are directly related to gaming, with thousands more spin-off jobs in the tourism and hospitality sectors. The industry also generates more than \$2 billion annually for provincial priorities such as healthcare and education.

"This industry experienced explosive growth in the last ten years," said Cordiano. "Our plan will not only keep the industry competitive, but also provide gaming in a socially responsible manner."

## Manitoba

Manitoba Lotteries Corporation has been proactive in the field of responsible gaming for many years and has conducted numerous research and awareness projects which have made a valued contribution not just to Manitobans but for residents of other provinces.

Manitoba is the only jurisdiction in North America to have a Responsible Gaming Information Centre, with onsite Addictions Foundation experts, located at McPhillips Street Station Casino. Another Centre will be opening soon at Club Regent Casino. Ontario recently announced it will follow Manitoba's lead in this area. MLC has also implemented the most comprehensive suite of VLT Responsible Gaming Features in Canada - features that assist players control their time and money expenditures and educate them about how gambling works.

The MLC recently announced a fund that will see an estimated \$10 million commitment over five years, to enhance its research and programming related to problem gambling and responsible gaming. These new funds and increased commitments in other areas will bring MLC's total spending on Responsible Gaming to an estimated \$27 million over the next five years.

"Manitoba Lotteries is recognized as an industry leader in the field of responsible gaming programs having provided its expertise to several Canadian provinces and the United Kingdom," said the Honourable Scott Smith, Minister Responsible for Lotteries, "This commitment will strengthen efforts to find even more effective approaches and position Manitoba Lotteries among research leaders in the country."

Over the next five years, MLC will focus its research and development on the following priority areas: social and economic impact of gambling; adolescent gambling and problem gambling; relationship between mental health disorders and gambling addictions; best practices in prevention of gambling problems; aboriginal gambling and problem gambling; research on the effectiveness of treatment and awareness programs; advancing new program opportunities based on research undertaken to help reduce risks of problem gambling. ♣

## MLC Hires Kisquared to Study Responsible Gaming Features

The Manitoba Lotteries Corporation, (MLC) has chosen kisquared, an independent Manitoba-based company, as the successful firm that will study the new VLT Responsible Gaming Features (RGF) over the next two years.

Last fall, MLC installed new VLTs with state of the art responsible gaming technology which provides players with time and money control tools and educates players as to how gambling works. The features include a permanent on-screen clock, mandatory cash out, choice of playing time limits, a countdown clock, pop-up time reminders and the Addictions Foundation of Manitoba (AFM)'s Helpline number and information pages on responsible gaming.

In order to assess the impact and effectiveness of these features, MLC has also contracted Dr. Harold Wynne, a well-known Canadian gambling researcher, who will work with kisquared. Dr. Wynne will provide his expertise in the: development of the instrument; data collection; design and analysis of the evaluation plan; and provide MLC with overall conclusions and recommendations. Dr. Wynne is presently conducting a similar evaluation of RGF effectiveness amongst VLT players in Alberta.

"Manitoba Lotteries is recognized as an industry leader in the field of responsible gaming," said President & CEO, Winston Hodgins. "In order to strengthen our efforts to find effective responsible gaming approaches it is important that MLC conduct this research so we can continue to develop proactive initiatives that may prevent and minimize the harm caused by gambling."

This research project will cost approximately \$225,000. In February, MLC announced that it will dedicate \$10 million to a responsible gaming research and program development fund over the next five years. This is the first research project being established from that fund. Since 1998-99 MLC has increased its responsible gaming financial commitment by 242% to fund a variety of programs and initiatives. ♣

• Now in its third sizzling season!  
• Top Ten ratings across all age demos!

WEEK AFTER WEEK HIGH-ENERGY CANDIDATES COMPETE FOR THE ULTIMATE JOB OPPORTUNITY AND A SIX-FIGURE SALARY. EACH WANTS TO BE THE ONE TO HEAR THOSE TWO CLIMACTIC WORDS FROM AMERICA'S ULTIMATE SYMBOL OF SUCCESS AND RICHES - DONALD TRUMP. IT ALL HAPPENS ON THE APPRENTICE - THE MUST-WATCH REALITY SHOW ON TV. NOW, WITH AN EXCLUSIVE LOTTERY LICENSE FROM MDI, ATTRACT MORE PLAYERS BY BRINGING THE FUN AND EXCITEMENT OF THIS WILDLY POPULAR SHOW TO YOUR NEXT INSTANT GAME.

THE APPRENTICE  
"YOU'RE HIRED!"



©2005 JMGP Inc., You're Fired! You're Hired!  
THE APPRENTICE, and all logos and slogans TM JMGP Inc. All Rights Reserved.

call your MDI sales representative  
toll-free at 1-800-572-7082.  
For more information,  
visit our web site at  
[www.mdientertainment.com](http://www.mdientertainment.com)

MDI  
A Scientific Games Company



# Oklahoma Governor Brad Henry Speaks at SMART-Tech 2005



Oklahoma Governor Brad Henry, with Oklahoma Director of State Finance Scot Meacham and Deputy Director of State Finance Rollo Redburn.

The attendees at SMART-Tech 2005, which took place at the Belagio in Las Vegas, were given a special treat when Oklahoma Governor Brad Henry attended on Wednesday, March 2. Governor Henry spoke to the crowd about the history behind his struggle to legalize a state lottery and afterward opened up the floor for any questions the attendees might have.

Oklahoma struggled with this issue of a lottery for many years. Before passing the Lottery referendum in November, 2004, the state had last visited the lottery issue in 1994 when it failed by a resounding 60 percent of the vote.

When the Governor first came into state office, as a state Senator, he became interested in the financial benefits other states were seeing in lottery. Still, he knew that passing a lottery in the “buckle of the Bible Belt” would be quite an undertaking.

“I knew that we had to make it about education, not about gaming,” said Governor Henry. “Really, that is my priority as Governor of Oklahoma, and that was my priority when I served in the state senate. I served in the senate for ten years, the last six of which I chaired the senate judiciary committee. I wanted to do something big for education, to provide a new revenue stream for education. I began to look around at what many other states were doing, because I knew that raising taxes was not going to be an option. I saw how effective these lotteries were at funding various aspects of education throughout the U.S.”

So, in 2000, Henry began, as an Oklahoma State Senator, his mission to once again bring the idea of a state lottery to a vote of the people.

Of course, it is very difficult, in any legislature, to get a ballot initiative to the people – especially when that initiative has anything to do with expanded gaming.

“I looked around and adopted all the best provisions from all the best lotteries throughout the country, and we developed a piece of legislation and I filed that legislation. The first year I couldn’t get it heard in committee. The next year I persuaded the chairman of the particular committee it was assigned to to hear it, and it failed in committee,” said Governor Henry. “The next year I once again persuaded the chairman

to hear my legislation and I did a little more work and we got it out of committee by one vote after an hour and a half of rancorous debate.”

Unfortunately, that version of the bill also eventually failed. Needing 25 votes, Henry was only able to garner 22.

“I think it was somewhere around that time that I realized the only way we were going to pass a lottery in the State of Oklahoma would be to have a governor who would champion that issue,” said Henry. “As I traveled throughout the state and made speeches about the lottery I could tell that the people of Oklahoma were very interested. They wanted the opportunity to vote on it. They wanted the opportunity to support education through this means.”

“I never thought at that particular time that I would be the governor to champion this cause,” Henry confessed. “As it turns out, a year later, I decided to run for governor and I made the education lottery the primary point of my platform. Education, health care, and transportation were all important issues, but I quickly became identified as the candidate who was pushing the education lottery. Every time I said it I called it an education lottery. Then newspapers started printing it as ‘the education lottery’ and somehow we effectively branded it as the education lottery, which helped the cause substantially.”

The lottery platform worked like a charm for Henry, who overcame several anti-lottery opponents to become governor, including the heavy favorite, NFL Hall of Fame receiver Steve Largent.

In 2003, Henry’s first year as governor, the state was hit with a monstrous \$700 million budget shortfall – the biggest in Oklahoma’s history. Governor Henry suggested implementing a lottery in lieu of raising taxes.

“I got up and pounded my fist on the podium every time I spoke in that first legislative session,” said Henry. “I went to the committee meetings – no one can ever remember a governor going to the legislative committee hearings – and testified before both the House and Senate committees.”

Henry used his prior relationship with the Senate to his advantage, successfully navigating the bill through committee, then getting it passed on the Senate floor. Still, the bill got bogged down in the House.

“We had a two-and-a-half hour debate on the House floor, and as you can imagine this was a great issue to demagogue and there was much of that on the House floor. The vote occurred and it failed,” remembered Henry. “We lost the vote on the House floor by three votes. We held the bill over on reconsideration – you have three legislative days to reconsider the bill – and went to work. On the third day we had a new vote and we passed it by two votes in the House.”

Eventually the bill passed with nearly 70 percent of the vote in Oklahoma.

“I’m very proud of that,” said Henry. “Now the pressure is really on because we have to implement this thing and we have to do it right. It has to be above board and in the light of day and we have to prove that we can raise the kind of revenue for education that we talked about for years.” ♣

# STANLEY

## LOTTERY GAMES FOR SQUARES...

...and hammers, and saws, and wrenches, and all of the other high quality STANLEY® tools that your Grand Prize winners will see being used for their COMPLETE HOME MAKEOVER! MDI has teamed up with America's Number One tool brand to bring the home improvement craze that has become a pop culture phenomenon to your players with our exclusive STANLEY® Fantasy Floor Plan licensed instant game. It's a blueprint for excitement if we've ever seen one!

### STANLEY® LICENSED GAMES - WIN SOMETHING GREAT!

## An Open Floor for Questions

After speaking at SMART-Tech, Governor Henry opened the floor for questions from attendees.

**Don Sweitzer, GTECH:** Did your legislation restrict in any way your ability to advertise? These professionals in this room will tell you that that's going to be very important to the success of your lottery. Are there any limitations on the ability to advertise the new Oklahoma Lottery?



**Gov. Henry:** *We put a lot of effort and time into crafting our legislation and I believe it is one of the most flexible pieces of legislation in the country. I don't recall (it is a 60 page bill) any major restrictions on advertising, other than we are subject to the Open Records Act and the Open Meetings Act, and all those things have to be done in the light of day and have to be available for public scrutiny. Other than that, I don't recall any.*

**Tony Cooper, South Carolina Education Lottery:** Is the Oklahoma Lottery a quasi-governmental lottery or is it allowed to run like a corporate entity? The other question is can it do its own procurement, or does it have to go through the state procurement system?

**Gov. Henry:** *It's a quasi-governmental entity. We don't call it a corporation, but the way it is set up it is very independent and is run very much like some of the corporate lotteries throughout the country. I believe we exempted the lottery from the procurement statutes that other state agencies are tied to. Again, it is subject to the open records and the open meetings act, but in terms of public competitive bidding acts and things to that nature, it is not.*

**Jay Young, D.C. Lottery:** Do you have a target date for launching operations in Oklahoma? If so, how are you accelerating use of retailers, or do you have an incentive program in mind to get people to carry lottery products in Oklahoma through your retail network?

**Gov. Henry:** *We do have a target date – it's not set in stone. We've talked about in October initiating the first sale of lottery product, probably scratch-off, and then moving to the electronic and looking at multi-state games down the road. But we hope that by October we could be up and running and we base some of our budget projections on that. But what I've said publicly, every time I've been asked about that, is that October is our target date but if it takes longer to get it right then it takes longer because we are going to do it right.*

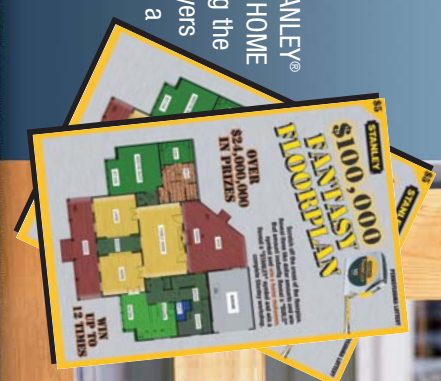
*We haven't decided the issues regarding retailers. The Lottery Commission will ultimately make all those decisions, and as I said earlier, I believe they have ultimate flexibility to provide the proper incentives to ensure that we have the retailers out there to market the product.*

**Jack Boehm, Lottery Consultant:** In terms of the dollars, when you say you're going to go towards education, are the dollars actually earmarked for a specific area of education, or do they go to the general education fund? Secondly, the employees within the lottery, will they fall under the Oklahoma Civil Service System or some other privatized system?

**Gov. Henry:** *They do not fall under the Oklahoma Civil Service System. They are considered at will employees, they are not under what we call the merit system in Oklahoma.*

*Again, the legislation is written to provide maximum flexibility. We have the constitutional requirement that the money must go to education and within some broad parameters of the net revenues for education, 45 percent must be spent on common education. Within the common education there is a laundry list of the ways it can be spent. It's not specifically earmarked for any particular project but typically you would want to spend it on capital projects or things that don't require ongoing operating expenses. Forty-five percent of the revenue is designated for higher education as well as our career test system and what I've said, although it can be used for capital expenditures and all kinds of other issues, I want most of that money to go towards scholarships. However, I've proposed this year a \$500 million capital bond issue, the debt of which will be paid by lottery proceeds – approximately \$30 million per year.*

*There's another five percent that, because of legislative wrangling and compromises, is specifically designated for the teachers retirement system, and five percent is designated specifically for the voluntary school consolidation fund.* ♣



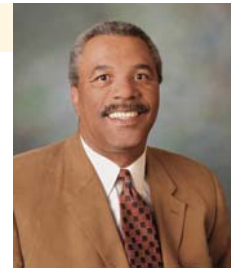
# MDI

A Scientific Games Company

Visit our web site at  
[www.rndienterainment.com](http://www.rndienterainment.com)  
For more information,  
call your MDI sales representative  
toll-free at 1-800-572-7082.

Stanley is a trademark of The Stanley Works and its subsidiaries and affiliates and is used under license.





## Jerry Young Receives Lifetime Achievement Award at SMART-Tech 2005

Public Gaming International Magazine is pleased to announce that PGRI's selection for the 2005 Major Peter J. O'Connell Lottery Lifetime Achievement Award is Jerome A. Young, Vice President, Business Development – International Game Technology (IGT).

Jerry Young has been with IGT and its subsidiary companies since June 1986. Prior to joining IGT, Mr. Young served as Deputy Director, Operations for the Ohio Lottery Commission. Prior to that, he served four years as Assistant Manager, Data Processing for the City of Cleveland. Mr. Young's start in the business world began in 1974 when he joined IBM Corporation as a Marketing Representative after graduating from The Ohio State University with a BA in Political Science.

While with IGT, Jerry Young has held numerous positions which have included Director of Corporate Development and later Vice President of Sales and Marketing for IGT's former lottery subsidiary, Syntech International. Later, he held a similar position with IGT, as well as Vice President of Lottery Products and Government Affairs. Prior to his current position, Mr. Young served as Vice President of Public Gaming from April 1, 2002 through June 30, 2004.

Jerry Young has responsibility for IGT's Market and New Business Development for IGT gaming and system products throughout North America.

In addition to providing leadership at IGT, Mr. Young is an active member of the Las Vegas Community supporting numerous civic and charitable organizations. He is happily married to his wife of 26 years, Margaret Johns Young, who like Mr. Young, is a graduate of The Ohio State University. Together they have four children, ages 17 through 25.

### A Warm Reception

Several people spoke at Jerry's Lifetime Achievement award ceremony: Duane Burke, president and CEO, Public Gaming Research Institute; Rebecca Paul, president and CEO, Tennessee Education Lottery Corporation; Wayne Lemons, director, Delaware Lottery; John Musgrave, director, West Virginia Lottery; Esther Schneider, director, Hoosier Lottery; Mark Hutchinson, director of public gaming and international sales, JCM Corporation; Guy Simonis, president and CEO, Guy Simonis At-large; and Dr. Ed Stanek, president and CEO, Iowa Lottery Authority.

What follows are a few quotes from the ceremony that show why Jerry Young was selected for the Lifetime Achievement Award.

*"A few years ago we hired an incredibly bright young lady to work for the Georgia Lottery... She turned out to be a terrific employee. It wasn't until AFTER she was hired that Jerry called me and told me she was his niece. He didn't want me to know, because he didn't want for me to feel any pressure to hire her because she was related to Jerry. That's the kind of integrity I'm not sure we see very often in this kind of business."* – Rebecca Paul, president and CEO, Tennessee Education Lottery Corporation

*"We've always been very friendly, and I consider him one of my best friends, but we would have very tough negotiation sessions... But during all these negotiations, Jerry always said, 'Whatever deal we agree to, it has to be good for both of us or it is not good for either of us.' That has always been his philosophy."* – Wayne Lemons, director, Delaware Lottery

*"Jerry never gave excuses. He would just be as helpful as he could and say, 'What do you want me to do? What do you need? I'll go to work and get it done.'...His mastery of this industry is only equaled by his mastery of hospitality. Jerry, your expertise, your integrity, your friendship has made you truly one of the noble leaders of this industry."* – John Musgrave, director, West Virginia Lottery

*"For me, there were four people I met along the way...All four of these people, when I started with the Ohio Lottery in 1984, in their own way they shared something with me, and the message was the same...Bob Stern...Gordon Graves...Carl Alexoff...Dan Bower. Those four individuals all in their own right shared a message that I carry with me today. That is, negotiate hard on a contract, but the best contract is the one that you put on the shelf when you're through with it and you never have to go back and look at it again. That was something that I tried to do when I took forward, and that was something that those gentlemen told me. If it wasn't good for them, and if it wasn't good for us, it's not good for anybody."*

*Thank you for proving to me that my belief that you can be a good guy, you can be a good business person and you can still make money for your shareholders is the right way to do business."* – Jerry Young, VP Business Development, IGT ♣



(left to right) PGRI CEO Duane Burke; IA CEO Dr. Ed Stanek; Guy Simonis, TELC CEO Rebecca Paul; IGT VP Business Development Jerry Young; Margaret Young; Jennifer Young, Jerome Young, Jr.



# SMART-Idea: D.C. Lottery Taxi Top Signs

At SMART-Tech 2005, the D.C. Lottery was presented with a Smart Idea Award for its ad campaign on its new satellite updatable taxi top signs. DC Lottery & Charitable Games Board Director of Communications and Marketing Kevin Johnson presented D.C.'s case for its Smart Idea.

As part of its overall Powerball jackpot awareness program, the D.C. Lottery negotiated a deal to be the first users in the Washington, D.C. metropolitan area of new satellite updatable taxi top signs.

These signs will be illuminated with the D.C. Lottery logo for easy visibility and primarily used to promote current jackpot amounts throughout the metropolitan area. As the first D.C. advertiser of this new technology the Lottery has an exclusive local agreement with vendor provider Clear Channel that will provide it with a competitive edge in the marketplace. Furthermore, as early adapters of this advertising program the Lottery believes the taxi top sign will create an easy first sight awareness that will cut through the very cluttered D.C. advertising market.

Based on research formulated by MDB Advertising (D.C. Lottery's ad agency), this concept focuses on creating top of mind awareness in the commuter marketplace, concentrating on the downtown area where the Lottery has a concentration of agents.

The marketing department will coordinate the periodic updates as necessary to assure accurate and timely game and promotion information. Because the signs display both numbers and words this advertising vehicle offers flexibility and instant access to a potentially under tapped business and visitor marketplace.

The Lottery expects to have up to 75 taxi cabs advertising Powerball jackpots by April, 2005.

One of the reasons behind D.C.'s decision to go ahead with the taxi-top ads is that outdoor placed media has limited availability in the District of Columbia – the District has fewer billboards than other metropolitan areas. The D.C. Lottery currently has transit contracts, but those transit contracts do not offer the same kind of flexibility that the Lottery believes the taxi cab program offers.

Another reason is the proximity of the agent locations. The D.C. Lottery wants to minimize the ways to ensure a message is seen close to the proximity of the agents. Only 21 percent of D.C.'s adult market lives or works in D.C. Because of this, T.V. ads can be wasteful. On the other hand, taxi top ads located in close proximity to D.C. Lottery retailers can be very effective.

It's also important to note that those aged 25 to 54 are not heavy users of TV in the D.C. marketplace and a taxi top delivers twice as many gross impressions per month as a TV box. Conversely, 75 percent of adults in the market age 25-54 spend a lot of time commuting. This vehicle will be close to where the Lottery needs it to be in terms of reaching these commuters and inspiring them to purchase D.C. Lottery products.

In addition to proximity, the taxi top program also offers a great deal of flexibility. This program allows the Lottery to promote a range of games and prizes, all while controlling the messages through a secure web program that allows the messages to be changed within minutes.

As part of the D.C. Lotteries new mantra, "Think Differently", the Lottery is constantly searching for new, different and efficient marketing tools. The Lottery is hoping that the fact that it is the first in the area to adopt this new advertising medium will make a difference in the long run, and help it cut through the D.C. advertising clutter. ♦



**DICK TRACY** AMERICA'S MOST FAMOUS DETECTIVE  
TO THE RESCUE!

OVER 70 YEARS OF HIGH ACTION, HIGH TECH POLICE DETECTIVE WORK IN NEWSPAPERS, RADIO, TV, BOOKS AND THE MOVIES HAVE MADE HIM A CRIME-STOPPING LEGEND. NOW, DICK TRACY FEARLESSLY LEAPS INTO THE WORLD OF LOTTERIES TO SAVE PLAYERS EVERYWHERE FROM THE BOREDOM OF LACKLUSTER GAMES, THROUGH MDI'S EXCLUSIVE DICK TRACY LOTTERY LICENSE. WHY, NOT LAUNCHING A DICK TRACY GAME WOULD ALMOST BE DOWNRIGHT CRIMINAL!

WANT UP TO \$50,000  
**DICK TRACY**  
WANT UP TO \$50,000  
**DICK TRACY**

MDI  
A Scientific Games Company

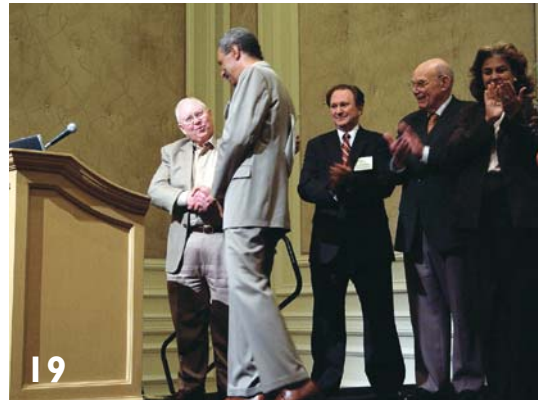
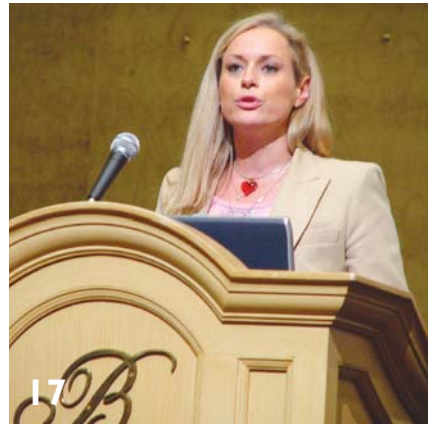
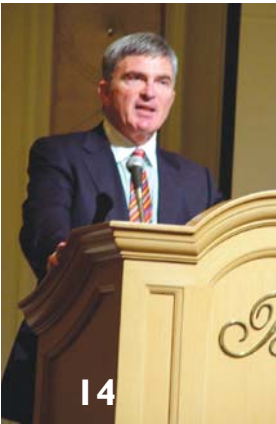
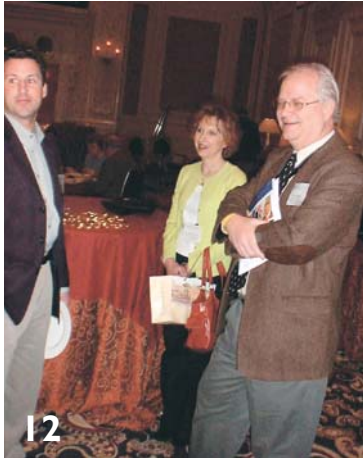
Visit our web site at [www.mdientertainment.com](http://www.mdientertainment.com)  
For more information,  
call your MDI sales representative  
toll-free at 1-800-572-7082.

Dick Tracy® and © 2005 Tribune Media Services, Inc.  
All Rights Reserved.



- 1 SCS President Andy Amada
- 2 Part of the team from Tennessee
- 3 Tom Markert and Linda Turner from Smartplay with Walter and Irena Szrek from Szrek2Solutions
- 4 Larry Ferreira and Andy Kaoh from Pro-Lite
- 5 (foreground) Bulgarian Sports Totalizator's Voutouva Valeullna Ilieva with Martin Owens
- 6 Scientific Games Consultant Sharon Sharp and Telecom President Budd Libby
- 7 JCM's Mark Hutchinson
- 8 SCEL COO Tony Cooper
- 9 Scientific Games VP & GM, Video Gaming Systems Brennan Lawrence
- 10 The food at SMART-Tech 2005 was fantastic
- 11 Delaware Lottery Deputy Director Donald Johnson
- 12 Oklahoma's Rollo Redburn (brown jacket)
- 13 TELC CEO Rebecca Paul (podium); VT Lottery Director Alan Yandow (speaking)
- 14 Scientific Games Ventures CEO Steve Saferin
- 15 PGRI's Raquel Orbegozo with A. Rifkin's John Samony
- 16 West Virginia Lottery Director John Musgrave
- 17 Cyberview COO Sylvie Linard
- 18 Panel speaking on video gaming
- 19 IGT's Jerry Young accepting his Lifetime Achievement Award.
- 20 PGRI's Duane Burke and Guy Simonis hammer out a few tunes on the piano.
- 21 Akiyoshi Itoi, JCM American Corporation President addresses the crowd at a special tour of JCM facilities.







# Emerging Online Lottery Players Research Panels

by Phil Kopel, President Kopel Research Group, Inc.

Lotteries and lottery game manufacturers perform an extensive amount of market research. The research objectives cover a broad group of topics such as; game concept analysis & design, play and spending behavior, player segmentation, demographics, psychographics, game awareness, advertising effectiveness, media utilization and policy feedback. Therefore, it is essential to have ready access to a large and representative player group that can provide excellent customer intelligence.



A new approach to developing this important resource for lotteries is emerging. The Internet has become the key source of information for this generation of consumers. A communications plan for any consumer product like Lottery games must embrace this change or face continual loss of some mind share and market share with their customers. Lotteries have responded accordingly by developing Players Clubs and online marketing programs.

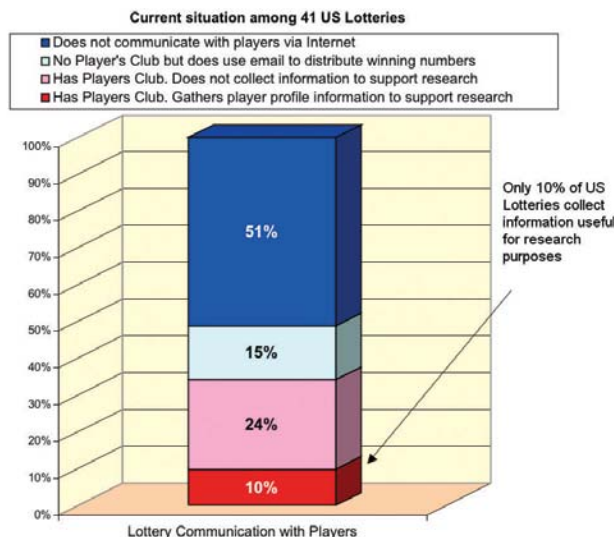
Lottery research methods are also changing rapidly to leverage this new communication channel. Consequently, it is no surprise that the attention to online research panels and their effective use is just now emerging in the Lottery industry. Since a Lottery's relationship with its players is of primary importance, establishing a consistent two way communication channel in order to understand player needs can provide a large payoff if done correctly. On the other hand, if executed in an unplanned manner it can needlessly waste a very valuable asset.

We recently reviewed the Web sites of 41 US lotteries to see how they currently develop two way online player relationships. The results are shown in Chart 1 (seen below).

As you can see, where there is communication, most of the investment is currently in outbound marketing. There are only a few US States that are currently collecting the information necessary to support research.

Let's examine what a Lottery research panel is and how it should work.

Chart 1



## Lottery Research Panel

What is a Research panel? They are also sometimes called "customer advisory boards". The process of collecting and elevating customers into special advisory groups in order to gather customer feedback and intelligence has been implemented in many industries.

Customer advisory boards have proven critical to many large companies in gathering high quality information from loyal customers. A further advantage is found when a customer advisory board is linked closely to loyalty, retention and frequency programs.

The good news for the Lottery industry is that the evolution and combination of Online Players Clubs and Online Research Panels provide the foundation for implementing a high value strategy to make better business decisions and grow revenue.

In order to achieve the highest return on investment, it is necessary to plan the Players Club and Research Panel together. The Research Panel is not just a survey software tool tacked onto the Players Club in order to ask questions of the members of the Club. It is much more than that.

An Online Lottery Research Player Panel is a pre-recruited group of players who are interested and willing to participate in marketing research activities such as: online surveys, telephone surveys, focus groups, product usability tests, etc. The members are recruited and maintained via an online relationship.

The panel members are some of the most loyal lottery players. They are mainly recruited via a Players' or VIP Club located on the Lottery Web site. If there is no Players Club, panel members can be recruited directly from the main page of the Lottery Web site by just asking for their email and stating the purpose.

The Online Lottery Research Player Panel interacts with the Lottery Players utilizing a series of lifecycle functions. The Panel Lifecycle includes marketing, recruitment, profile updating and maintenance, regular communications, survey administration and loyalty compensation, database management, analysis and reporting.

What are panels used for? The Online Lottery Research Player Panel can provide many services to a Lottery's research department. It represents an independent group of players that can be used to research all types of studies that originate from the Lottery as well as any of the Lottery's vendors. This vendor independent panel helps reduce the costs of all Lottery research.

The panel can be used to recruit participants for all methods of research. The target study could be an on-line survey, a focus group, a

telephone survey or a hybrid of methods to a product testing group.

Any qualitative or quantitative Lottery study such as game concept analysis, pricing and spending analysis, game mix analysis, prize analysis can be implemented with the panel. The only types of studies that the panel cannot serve are ones that require non Lottery players to participate, such as state Benchmark studies.

Benefits of on-line research panel are many: Here are some important ones:

**Speed:** A lottery can launch research surveys quickly and efficiently. Surveys are interconnected with previously collected demographic and play behavior information eliminating the need to ask 40 to 50 background questions each time.

**Cost:** Integrating a database of panel members with all of their demographic and play behavior information into surveys means significantly reduced cost for recruiting and shorter more precise surveys.

**Targeting:** Surveys can be targeted using both the demographics and player habit information captured in the panel. In fact, the sample can be properly weighted to be representative of the demographics of the player base of a lottery jurisdiction.

**Reuse:** The player research panel can be used time and time again for all player research and feedback. The incentives used for the panel can be designed to encourage frequent survey participation.

**Scheduling:** A Lottery can control when, how, and which players are surveyed. With this rich source of customer intelligence it is important to plan and schedule the amount and type of surveys placed in front of the panel.

**Consistency:** The Player Research Panel is integrated with your existing Player's Club or VIP if you have one. The survey methods and styles will be similar. The Panel will react positively.

**Archive:** The history of survey results can be archived and maintained in a research panel database so that they can be used for further segmentation and future studies. Ie... You might want to conduct a survey of only the players that purchase \$20 tickets each month. Now that is possible.

**Customer Relations:** The incentives provided to the research panelists encourage frequent survey participation as well as promote goodwill to the player base. The incentives also support increased Lottery involvement among players. For example, contest prizes may include coupons to play new games.

**Time Savings for the Respondent:** The demographic data of each research panel member is collected once and maintained in a panel database. The panel registration forms used on the Lottery Web site or in the Player's Club can be designed to obtain specific play behavior and demographics that do not have to be replicated in each survey.

**Vendor Independence:** Lotteries may have quality unbiased market intelligence to allow for the best possible decision making. The ability to compare consistent information about all games from multiple vendors is essential. By implementing an independent research panel the Lottery is set on a path to make all of its research investments more usable and valuable.

Considerations of panel acquisition, reward, maintenance, turnover, confidentiality, loyalty and reporting are essential in order to tap the rich customer intelligence available online. While the task of delivering Players Clubs typically requires marketing and Web development skills, a different set of expertise is needed to effectively manage an online research panel.

In a future article, I will address the Lottery Research Panel Lifecycle, sharing ideas on how to develop and maintain a robust panel for your Lottery. ♣

*The Author: Philip Kopel, President of Kopel Research Group, Inc. founded Kopel Research Group in 1989. Phil has managed a diverse variety of research projects for many lotteries throughout the United States and Internationally. The company provides comprehensive lottery market research solutions including; baseline studies, research panel management, game design concept analysis, player segmentation analysis, game mix optimization, sales forecasting and retail agent feedback and satisfaction analysis.*



**We go everywhere, every week!**

**Have Public GAMING International go there for you!**

Modified from National Oceanic and Fisheries Association photo

## Public Gaming International and The Morning Report

We reach tens of thousands of key gaming industry decision makers worldwide five times each month.

No other publication offers that kind of exposure.

Place an ad today and put us to work for you!

Contact: Raquel Orbeozo

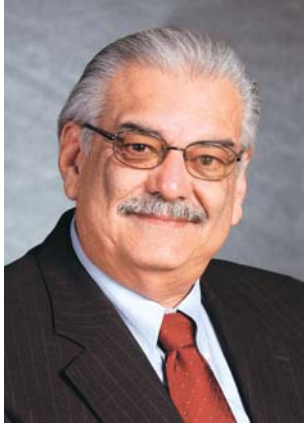
Tel: 425.765.4119

Email: raquelpgr2@aol.com



## Meet the New Directors

A good number of new faces have stepped in to head U.S. Lotteries in the past few months. Public Gaming International would like to take this opportunity to introduce its readers to some of these individuals.



**Chon Gutierrez**  
Interim Director  
California State Lottery

Appointed by Governor Schwarzenegger in December, Mr. Gutierrez brings a wealth of experience back to the Lottery including serving as Co-Director of the California Performance Review Team, Interim Director of the Department of Motor Vehicles and his prior service as the Lottery Director from 1986 through 1991. A 33 year state veteran, Mr. Gutierrez served as Chief Assistant Secretary of

State, Chief Financial Officer of the Business, Transportation and Housing Agency and has served as Undersecretary for the Youth and Adult Corrections Agency, the Director for the Office of Economic Opportunity and the Deputy Director for the Department of Finance.

Gutierrez speaks as his biggest challenge in state service—the task of creating the California State Lottery. With a small staff and a time frame of less than six months Mr. Gutierrez and his team developed the mechanism and organization of the California State Lottery which produces close to \$3 billion a year for the State of California. *“I see it as a big accomplishment, not so much for what we produced, but more for the way the team approached challenges; with professionalism, integrity, squarely facing problems, trying to find the most creative solutions with everyone chipping in regardless of the assignment,”* said Gutierrez.

For the first time in five years, the California State Lottery is introducing a new product. *“Collectively, we are providing leadership for the introduction of a major new product Mega Millions, America’s biggest lottery game with 11 other member states,”* said Chon Gutierrez. *“In looking at our product line, we wanted to make sure we had the most exciting array of Lottery products we could offer,”* said Gutierrez. *“Bringing the Mega Millions game to California players is a sure way to add energy and enthusiasm to the California State Lottery games.”*

Although California has the largest population in the nation, the California State Lottery ranks fifth nationally in state lottery sales. *“Our goal is to bring the California State Lottery back to first place,”* said Gutierrez. The California State Lottery ranked first in sales among state lotteries from 1988 through 1991.

### **Dan A. Gwadosky**

Director

Maine Bureau of Alcoholic Beverages and Lottery Operations

Dan Gwadosky was appointed Director of the Bureau of Alcoholic Beverages and Lottery Operations in January 2005. Immediately prior to his appointment, Mr. Gwadosky served eight years as Maine’s 46th Secretary of State, following nine terms in the Maine

House of Representatives.

During his eighteen years in the Legislature, Mr. Gwadosky served as the Assistant Majority Floor Leader and House Majority Leader before being elected Maine’s 92nd Speaker of the House by his colleagues. As a legislator, he was recognized for his consensus-building skills, knowledge of public policy and commitment to constituent service.

As Secretary of State, Mr. Gwadosky served as agency head and oversaw the Department’s three bureaus, 440 employees and \$60 mil-

lion biennial budget. He made customer service and the efficient use of emerging technologies two of the hallmarks of his tenure. Throughout his time as Secretary of State, Mr. Gwadosky implemented innovative methods for making the delivery of services more efficient and effective.

Under his leadership, the Department created more than 20 significant online services, including auto registration and driver license renewals, vanity plate searches, corporate annual report filings, absentee ballot applications and Archival record searches. He also led the effort to transition to digital driver licenses and gained passage of major legislation to enhance public safety by creating a Graduated License Process for young drivers.

In the area of civic participation, Mr. Gwadosky worked to implement numerous voter outreach initiatives, including the state’s new eDemocracy website. Those efforts culminated with Maine’s record-setting voter turnout in the November 2004 General Election. Throughout his career, Mr. Gwadosky has sought to transform the relationship citizens can enjoy with their government. He has consistently worked to make services more convenient, accessible and cost-effective.

Mr. Gwadosky’s contributions in the area of technology and encouraging e-government have been recognized locally and nationally. In 2002, he received the first Maine CIO Award for Information Technology Excellence in Innovation. Government Technology Magazine named Secretary Gwadosky to its "Top 25: Dreamers, Doers and Drivers" for 2003, a listing that acknowledges individuals who play key roles in strengthening government operations and improving the services delivered to citizens through the use of technology. In 2004, he received the Center for Digital Government’s prestigious lifetime achievement award.

A Maine native, Mr. Gwadosky received a Bachelor of Science degree in Management and a Master’s degree in Computer Technology from Thomas College. Committed to his community, he served for many years as co-chair of the Fairfield Community Festival and also served as president of the Lawrence High School Alumni Association. He has coached boys and girls baseball, soccer and basketball, is a





motorcyclist and an avid fan of the University of Maine basketball teams. Mr. Gwadosky is married to the former Cheryl Norton, who is employed as the Controller for Sappi Fine Paper in Skowhegan. They reside in Augusta with their children, Joshua and Jessica.

**Esther Q. Schneider**  
*Director*  
*Hoosier Lottery*

On January 13, Governor Mitch Daniels named Esther Q. Schneider director of the Hoosier

Lottery. Schneider says improving the Hoosier Lottery image and business practices are her first priorities.

*"I'm taking a thorough look at our budget to find areas where we can be more efficient. Streamlining processes, addressing personnel issues, this and more will play a role in improving the Lottery's bottom line,"* Schneider said.

*"The Lottery's image has suffered recently and players need to be reassured that our games are completely secure and fair. I'm determined to make sure that happens. Restoring the organization's integrity will be a top priority for all Hoosier Lottery staff members."*

Schneider brings more than 20 years of proven sales, advertising and public relations experience to the Lottery position.

In 1986, she began her career as media buyer for the Imperial Palace Hotel/Casino and five subsidiaries. From there, she joined the executive staff of the Sands Hotel and Casino.

In 1991, Schneider left the gaming industry and went into radio broadcast sales. Schneider started her own PR and media buying company, Q Media Consulting, to handle medical/pharmaceutical and development/land use issues.

Several years later, she joined the staff of Cox Communications in Nevada, where she received awards for sales.

In 1999, she merged Q Media's clients with those of a \$70 million ad agency, DRGM Advertising and Public Relations.



**George Parisot**  
*Director*  
*Montana Lottery*

George Parisot, 36, was appointed by Governor Brian Schweitzer to serve as the Director of the Montana Lottery. A Great Falls, Montana, native, Parisot worked as a Field Representative for former Montana Congressman Pat Williams, as an Aide to Senate Minority Leader Mike Halligan, and served at the Deputy Secretary of State under former Secretary of State Mike Cooney. Most recently,

he was the IT Administrator and Technology Advisor for Montana Attorney General Mike McGrath. He also managed his own website design business, BigSkyWeb.com.

Parisot attended Great Falls area schools and graduated from Hahn American High School in Germany. He received a Bachelor's in communications from the University of Idaho and a Bachelor's in biology and a secondary education certification from the University of Montana. A former military intelligence officer, Parisot served in the Washington Army National Guard. George and his wife Tawna have three children.

**Norman Lingle**  
*Executive Director*  
*South Dakota Lottery*

Norman Lingle became the executive director of the South Dakota Lottery on January 18, 2005.

Lingle, 40, joined the Lottery after serving as the manager of the Community Development Block Grant program for the Governor's Office of Economic Development for 15 years, where he worked with communities from across the state on more than 100 development projects.

He has also served as the manager of the state energy program and as an accountant for the state department of health.

Lingle has a bachelor of science degree in economics from South Dakota State University, and is a certified economic development finance professional. He was recently elected to the Pierre Public School Board.

Lingle and his wife Sarah have three children.

**Tom Hayes**  
*Director*  
*Ohio Lottery Commission*

Tom Hayes was appointed Director of the Ohio Lottery Commission effective Jan. 1, 2005. As director, he oversees a \$2 billion state agency that administers the sale of instant and on-line lottery games through a statewide network of licensed lottery retailers. The agency is charged with maximizing Lottery game profits for use in public education. As director of the Ohio Lottery Commission, he also oversees the administration of charitable bingo licensing and monitoring in Ohio.

Prior to his appointment, Hayes held key administrative roles in state and county government. A seasoned administrator, Hayes served as Director of the Ohio Department of Job and Family Services from September 2001 until December 2004. Hayes is also a former Cuyahoga County administrator, holding that post from 1995-1997, and again from January 1999 through August 2001.

He holds a bachelor's degree and master's degree in public administration from Cleveland State University.

Hayes and his wife Debra live in Bay Village. Their daughter Lauren is a college senior. ♣





# California Lottery Employs Technology to Actively Market Promotions

by Ken Owens, California State Lottery Web Coordinator

The problem confronting the California State Lottery was how to effectively provide localized promotional information to individuals browsing its public website. On a regular basis, the California State Lottery engages with strategic partners in cross-market promotions. More often than not these promotions are not statewide, but are limited to a specific metropolitan area. How then to effectively use its public web presence (with nearly 5 million visits per month) to support these promotions?

The specific goal of the California State Lottery's web team was to target people in the geographic area that the promotion applied to, while those who could not participate would not see the promotional advertisement. The first promotion to utilize this technology, involved the Los Angeles Clippers NBA franchise and participating am/pm retailers in the Los Angeles area. The promotion area is defined as the Los Angeles DMA (designated market area).

The web team determined that by using "geolocation" technology the Lottery could effectively target individuals browsing the website from the Los Angeles DMA. Geolocation is the name for the set of technologies that can determine the physical location of a computer in the "real world" based on its IP address. After researching vendor options for geolocation services, the California State Lottery chose a service offered by a current vendor.

The geolocation service has allowed the California State Lottery to add a few simple lines of code to its existing web pages where the promotional advertisement was intended to appear on, then all of the geolocation processing is handled by the service. As a result, individuals browsing the Lottery's public website from outside Los Angeles, see no apparent change, while people in Los Angeles see the promotional advertisement.

The end result of this effort is that the promotion is given more visibility than was previously possible, with exposure only in the target market and by using your website as a more effective communications vehicle. ♣

For additional information contact Ken Owens at the California State Lottery, 916-324-9639.

## Site Sample in LA



## Site Sample Everywhere Else



Subscribe to the world's most widely read Lottery-Racino-Gaming magazine today!

### Annual Subscription Rates

Public Gaming International (monthly magazine)

- \$145 U.S.
- \$160 Canada/Mexico
- \$225 All Other Countries

PGI's International Morning Report (weekly fax or email)  
Industry news bulletin. FREE only with IALS membership.

To order, contact our circulation department at:

Public Gaming International  
218 Main Street, #203  
Kirkland, WA 98033  
ph: 800.493.0527 • fax: 800.657.9340  
email: publicgam@aol.com • website: www.publicgaming.org

### To Order:

Check publication(s) you wish to receive, and return completed form.

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

Zip Code \_\_\_\_\_ Country \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Check method of payment. Amount \$ \_\_\_\_\_

Check     VISA     Mastercard     American Express

Card # \_\_\_\_\_ Expiration \_\_\_\_\_

Signature \_\_\_\_\_

# The Ultimate Lottery Research Panel

The Internet has emerged as the key source of information for this generation of consumers. Lotteries have responded with Players Clubs and Online marketing programs. Lottery research methods have also changed to leverage this new communication channel.

The amount of customer intelligence available online from Lottery Players has exploded while research costs have come down.

Is your Lottery taking advantage of this? Kopel Research Group can show you how. We have the proven track record to help your Lottery harness the new on-line research methods.

Learn how to develop and manage your own state Lottery Research Panel by obtaining our FREE:

**“Guide to Online Lottery Research Panels”**

Call now: (781) 784-3343

## Our Services

- Benchmark Survey
- Game Concept Analysis
- Player Segmentation
- Player Research Panels
- Market Concept Testing
- Retailer Studies
- Advertising Awareness

## Our Methods

- Online Surveys
- Online Player Panels
- Telephone Surveys
- Focus Groups
- Intercept Interviews
- Mail Surveys



Our Team



**KOPEL RESEARCH GROUP** INC.

Web: [www.kopel.com](http://www.kopel.com)  
Email: [info@kopel.com](mailto:info@kopel.com)  
Phone: 781-784-3343

**Over 15 years of Lottery Market Research Expertise**



# RACINO NEWS

## Canterbury Park Unveils Racino Proposal That Would Generate \$200 Million in Gaming Tax Revenues

Surrounded by a bipartisan groups of legislators, labor union officials and horse enthusiasts, Canterbury Park recently unveiled its legislative proposal to support a \$120 million Racino development at its 380-acre site in Shakopee.

At a State Capitol press conference, Canterbury Park released an independent economic analysis that determined a Racino development would generate at least \$200 million in new tax revenue for the state during the first two years of full operation. GVA Marquette Advisors examined the growing demand for increased entertainment options such as slot and video gaming in the Shakopee area. Based on the conclusions of their report, the proposed 3,000 slot machines at the Racino at Canterbury Park will: Generate \$180 million in new state gaming tax revenues in the coming biennium, including a \$100 million up-front fee, from temporary gaming operations; Generate at least \$200 million in future biennia, when the Racino is fully operational; Create 1,300 new full- and part-time jobs from Racino operations, as well as the equivalent of 650 full-time jobs in the construction of the facility; Increase live racing purses by \$18 million, including \$3.6 million for the Minnesota Breeders' Fund; and Produce over \$9 million per biennium in new taxes for local communities.

*"As we look around the country, the Racino model is working in states like Iowa, New Mexico and Delaware,"* said Randy Sampson, CEO of Canterbury Park. *"The Racino at Canterbury Park would generate substantial new tax revenues for the state and local governments, increase employment in our area, create higher racing purses for the horse industry, and pump more money into Minnesota's agricultural industry."*

The Racino at Canterbury Park combines existing entertainment options – live horseracing, simulcast racing, the Card Club, live concerts and special events – with new features including: Slot and video gaming; Olympic horse park; Agricultural event facility; and a first-class hotel and conference center.

Senator Dick Day (R-Owatonna), Senate author of the Racino bill, expressed optimism that the Racino will win legislative approval. *"For the first time since I have been at the Capitol, it looks like a majority of legislators agree that the current system of gaming needs to change,"* said Sen. Day. *"As legislators start to debate the proposals, I believe a majority of them will conclude that the Racino has the most benefits for Minnesota."*

Canterbury Park also enjoys strong local support. *"The residents of Scott County appreciate Canterbury Park's strong management of their current gaming and their investments in local communities,"* explained Mark Buesgens (R-Jordan), who will author the House version of the Racino bill. *"The Racino has broad support from the residents and community leaders in this area."*

The plan includes construction of new indoor and outdoor arenas and a cross-country course for horse shows, funded with Canterbury Park's revenues from the Racino. The impact to the thousands of Minnesota horse owners would be widespread.

*"The benefits of the Racino reach deep into the horse and agriculture industries in Minnesota,"* explained Judy Jensen of the Tri-State Horseman's Association. *"Canterbury Park will be the host to the best equestrian facili-*

*ty in this region, able to host national and regional competitions for show horses. That will increase tourism dollars for Minnesota and help create even more investment in jobs relating to the care and maintenance of horses."*

## Gural, TrackPower Undertake Acquisition of Vernon Downs

TrackPower, Inc. will be entering into a Joint Venture with Jeffrey Gural, Chairman of Newmark & Company Real Estate, Inc. of New York City in an attempt to purchase Vernon Downs Raceway, a harness track located in Vernon, New York. On January 14, 2005 the Board of Directors of Mid-State accepted the offer of Jeffrey Gural to contribute \$5.4 Million on an interim basis, for the continuation of operations of Vernon Downs and funding of capital improvements.

On confirmation of Vernon Downs Chapter 11 Plan, the loans will be converted to 80% of the issued publicly traded common stock of the reorganized debtor. The offer is subject to approval by the U.S. Bankruptcy Court and in the event of Chapter 11 Plan confirmation, obligates Mr. Gural to loan an additional \$3 Million needed to fund video lottery operations. If approved by the Bankruptcy Court, TrackPower and Gural will each hold one-half of the 80 percent interest acquired on confirmation and each will contribute one-half of the funding required.

TrackPower has already partnered with Mr. Gural in the acquisition of Tioga Downs Racetrack located in Nichols, New York. Renovations of the track and buildings at Tioga Downs are underway and the developers expect to engage in a late season harness racing meet in 2005.

## BLB Seeks Acquisition of Lincoln Park

BLB Investors recently announced plans to buy Rhode Island's Lincoln Park from its British parent company, Wembley plc, for \$435 million.

As part of the sale, BLB is trying to obtain an 18-year agreement from the state that would specify the exact percentage of VLT revenue payable to the state. If that agreement is solidified, BLB would spend \$125 million upgrading the track, and would seek approval for 1,750 additional machines, which would bring the tracks total number of machines to 4,752.

## MTHA Seeks to Improve Maryland Racing

The Maryland Thoroughbred Horsemen's Association recently laid out a plan that showed what they would hope to achieve with money from proposed slots. The plan would help fund more modern facilities for current fans and upscale food, beverage and live entertainment facilities to attract new fans. Laruel Park would play the major thoroughbred role in the state, while Pimlico would be reduced to a six-week season (while still hosting the Preakness).

The plan was signed by Magna Entertainment Corp., owner of Laurel and Pimlico, along with representatives of horse breeders and owners, the race track at the Maryland fairgrounds at Timonium and a new track that is proposed to be built in Allegany County.

## West Virginia Table Game Legislation Introduced

Legislation to allow table gambling at West Virginia's four licensed racetracks was recently introduced in both the state House and Senate. If approved, officials at the tracks may petition their respective county commissions to put the matter before voters. ♦

# Games People Play



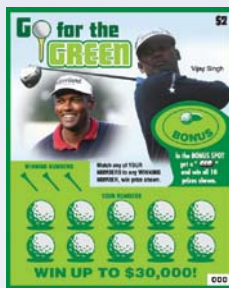
## MDI Signs Licensing Deal with Pro Golf Greats

U.S. lotteries will now be able to offer their instant ticket players games featuring five of professional golf's hottest players. MDI Entertainment LLC, a wholly-owned subsidiary of Scientific Games, announced that it has signed an exclusive agreement for the licensing rights to Vijay Singh, Sergio Garcia, John Daly, Raymond Floyd and Annika Sorenstam. The agreement gives lotteries rights to the names, nicknames, images, autographs, audio and video of the players on lottery tickets and related advertising materials. Grand Prize possibilities include dream golf vacations to the winners' choice of destinations, and high quality golf merchandise.

*"These five players represent a great addition to our portfolio of sports-themed brands,"* said MDI President Steve Saferin. *"Golf's fan base is estimated to be over 100 million people and is steadily growing. These players represent the best and brightest that golf has to offer, and their names are ones that people see and hear in almost every tournament."*

## Popular Drivers to be Featured in HotTrax™

GTECH has obtained a five-year exclusive licensing agreement giving the Company rights to utilize the names, likenesses, and signatures of premier race car drivers in the social space environment. HotTrax™ provides the fast-paced action and vibrant 3-D animation of thrilling race scenes based on the highly popular stock-car auto rac-



ing circuit. Players have the opportunity to place a variety of wagers on the finishing order of the racecars every four or five minutes.

This new solution will be offered immediately to GTECH customers as additional functionality to HotTrax™, with the power of the race drivers' popularity to create a superior player experience in the social space channel. HotTrax™ is currently being offered as a lottery product at bars, taverns, and restaurants in Rhode Island.

## WPT Ticket Becomes Hoosier Best Seller

In a span of just 16 days, \$100,000 Hold 'Em Poker® – featuring the high-stakes, high-style excitement of the World Poker Tour™ (WPT) – became the Hoosier Lottery's best-selling \$5 scratch-off and best-selling licensed property game of all time.

MDI owns the trademark for the Hold 'Em Poker® name for lottery tickets and is the exclusive lottery licensor of the World Poker Tour™ brand. The wholly owned subsidiary of Scientific Games already has a patent on one Hold 'Em

Poker® play style, with patents pending on similar play styles that leverage the fun and excitement of this remarkably popular brand of cards.

Part of the Hoosier Lottery's January 21 quadruple game launch, \$100,000 Hold 'Em Poker topped \$1.59 million in sales in its first full week, followed a week later by \$1.76 million. Week Two sales were comparatively higher than both the combined sales of the Lottery's four \$10 games and the aggregate sales of its three \$20 games. ♣

## Industry News ...continued from page 4.

in revenue over its term.

Under the new agreement, Scientific Games will provide the Lottery with an upgrade for 300 mid-range EXTREMA terminals to full-feature terminals, 750 instant and online self-service ticket checkers, as well as an option to obtain additional EXTREMA® terminals to increase their retailer network during the remainder of the contract.

## Around the World ...continued from page 6.

meant an increase of 56.8%. Traditional retailing was down by 0.8%.

Svenska Spel has established a new business area. Svenska Spel International will focus on commercial cooperation with state controlled or regulated lotteries and gaming operators in Europe and later in other parts of the world. Svenska Spel International will also be responsible for all international contacts and affairs, business visits and contacts with WLA and EL. The new department will be headed by Mr

## Minnesota Selects OGT

Oberthur Gaming has been awarded the primary vendor contract for the manufacturing of instant tickets of the Minnesota State Lottery. The contract period is for two years with the option to extend for three additional years. ♣

Jan Stocklassa. He will be assisted by Mrs Monica Medvall and Mr Göran Wessberg.

## Sri Lanka

Sri Lanka's National Lotteries Board has introduced a lottery to support the nation's recovery from the tsunami that devastated its coastline. The 'Sarana National Lottery' is a pick 5 game with Rs. 20 price point. The top prize is Rs. 500,000. ♣



# Video

# News

## **Pennsylvania Slot Licenses Could Be Issued in December**

Members of the Pennsylvania State Gambling Board said they hope to issue the first slot-machine licenses to racetracks by as early as December, meaning that parlors could be up and running by the end of 2006. The state Gaming Control Board will have to complete major tasks before then, such as writing the regulations to govern the licensing process, and hiring most of the board's staff, including an executive director. By law, the board must first issue licenses to slot-machine manufacturers and distributors and casino suppliers at least three months before it can issue the licenses to racetracks. The board is authorized to issue 14 licenses to operate slots parlors. Each one will cost \$50 million. The initial batch of slots licenses would be strictly for horse racing tracks.

## **Maryland Slots Bill Passes Senate**

The Maryland Senate recently passed a slot bill which would allow up to 15,500 slots at seven venues statewide but does not specify locations. The bill, which passed by a vote of 26-21, now heads to the House, where slot bills have died for the last two years.

## **Svenska Spel to Receive More Spielo VLTs**

GTECH announced that AB Svenska Spel amended its existing agreement with GTECH's wholly-owned subsidiary, Spielo Manufacturing ULC, for the provision of 2,000 next-generation wide area video lottery terminals (VLTs). Spielo is a current provider of VLTs to Svenska Spel and GTECH is the video lottery central system provider. Spielo currently provides Svenska Spel with approximately 5,000 of the 7,000 VLTs already in the field.

Under the amended agreement, Spielo will deploy 2,000 new wide area VLTs beginning in September 2005. The new VLTs will replace a portion of the existing machines and also be placed in new locations. With respect to its amended agreement with Svenska Spel, Spielo expects to generate approximately US\$22 million for the sale of the new VLTs.

## **Bally Technology Goes Live in Four States**

Bally Gaming and Systems completed the installation of its Bally Systems/ACSC Slot Management System (SMS) at Sam's Town Shreveport in Louisiana and its CMS/400 multi-site module at Whiskey Pete's, Buffalo Bill's and the Primm Valley Resort Casino in Primm on the California/Nevada state line 40 miles south of Las Vegas. Additionally, the Potawatomi Bingo Northern Lights Casino in Carter, Wis., went live with the Company's SDS and Casino MarketPlace (CMP) casino-management and promotional software on Jan. 17, and the Skagit Valley Casino Resort became the first gaming facility in the state of Washington to install the Company's Casino MarketPlace product on Feb. 1.

The gaming floor at Sam's Town was converted to SMS through the month of January and all of the casino's more than 1,200 machines are now linked by SMS. In addition, a total of 700 slots are now offering the eTICKET cashless system. In Primm, the Primm Valley resort properties will also go live with both the CMS Kiosk and iCMS modules later this year.

## **Aristocrat to Introduce Cash Express® Hyperlink® in New Jersey, Mississippi**

Aristocrat Technologies, Inc. announced that its Cash Express Hyperlink four-level progressive game was recently approved by the New Jersey Division of Gaming Enforcement for introduction into the second largest gaming jurisdiction in the United States.

"This approval allows us to introduce Hyperlink to the New Jersey market and paves the way for additional approvals of our other linked, four-level progressives – Million\$er®, Cash Express Penny Train™ and Jackpot Carnival™," said Gavin Isaacs, President of Aristocrat Technologies, Inc.

Aristocrat's Cash Express Hyperlink progressive game was also approved by The Mississippi Gaming Commission.

Cash Express debuted in the United States in 1992 and is widely available in Nevada, California, Indiana, Detroit and most Native American casinos nationwide.

## **WMS Amends Russian Distribution Agreement**

WMS Gaming has amended its distribution agreement with its Russian distributor, Belco Handels GmbH and its Russian affiliate, ZAO Unicum. The amended agreement now extends until June 30, 2011 and provides for the purchase of at least 4,000 new WMS gaming devices in each year of the contract beginning July 1, 2005, aggregating a minimum 24,000 new units over the extended term of the agreement.

## **Bally Expands Quartermillion\$**

Bally Gaming and Systems announced that the new Pamela Anderson Playboy slot machine has gone live at the Palms Casino Resort in Las Vegas as the first game expansion of the successful QuarterMillion\$ wide-area progressive link.

Originally introduced in April 2004, the QuarterMillion\$ link has grown to include 85 casino locations across four separate links – Nevada, Mississippi, New Jersey and Native American. The Pamela Anderson Playboy slot joins initial game releases Lucky Wheel™, Tower of Power™, In The Money™ and QuarterMillion\$ Frenzy™ on the link.

## **VLTs in Bars Proposed for Minnesota**

(AP) Minnesota Senator David Tomassoni introduced a bill that would allow for up to five video lottery machines in every bar in Minnesota – a proposal that could add more than \$350 million annually to the state's general fund.

Last year, the Minnesota Lottery conducted research based on Oregon's model to determine the financial impact that video lottery machines could have on Minnesota. The results: Machines would generate an estimated \$853 million each year. Of that amount, the state would receive about \$352 million into its general fund. Additional proceeds would go toward operating expenses and Minnesota's Environmental Trust Fund. ♦

# WWW on the internet

## **Cyber Games Soar in New Jersey**

*"Since the launch of Cyber Slingo® and Tetris® more than 5.5 million access codes have been played to achieve New Jersey E-game sales of over US \$13,000,000 in 2004. Cyber Slingo® and Tetris® have provided incremental revenues, without cannibalizing any other instant games!"* said Foster Krupa, Marketing/Instant Product Manager of the New Jersey Lottery.

## **Missouri Offers Winning Number Text Alerts**

The Missouri Lottery is launching a new text messaging service that will allow players to receive the winning numbers on their cell phones, pagers or PDAs. To subscribe, players need to visit Molottery.com, create or sign in to their existing My Lottery account and choose the game(s), day(s) and draw time(s) they play. A text message of the winning numbers for those games and draw times will then be sent to their wireless device after each drawing.

Although the service is free to subscribers, carriers may charge for text messages. Therefore, subscribers are urged to consult their wireless service provider for any fees they may incur for text messaging services before signing up.

## **Comtech Launches Wireless Display Pilot for Camelot**

Comtech Holdings Ltd announced a pilot trial of a wireless display messaging solution for Camelot, operator of the UK National Lottery. The new solution is designed to encourage sales in the Lotto and EuroMillions games, which offer three jackpot wins each week. The piloted solution allows centrally controlled jackpot information to be communicated to automated electronic displays in the National Lottery retailers' stores.

A 100 unit pilot system has been deployed in the UK utilizing Comtech's wireless display messaging solution. It comprised a central management application that determines jackpot levels from Camelot and delivers this information to the automated displays over the Orange wireless network. Comtech has leveraged Sony Ericsson M2M technology within the automated display.

## **EGC Moves Into Mobile Arena**

Electronic Game Card, Inc announced that a separate company is being incorporated within the Electronic Game Card group of companies to initiate Electronic Game Card's entry into the field of broadband gaming with particular reference to mobile phone games. Electronic Game Card's new company will investigate and undertake alliances with corporations involved in communications and hardware and software delivery mechanisms, and design in the secure manner essential for the successful acceptance of reward based games by the consumer and the promoter in the mobile arena.

## **Kentucky Derby Site Launched**

Churchill Downs Incorporated launched the official 2005 Kentucky Derby Web site, [www.kentuckyderby.com](http://www.kentuckyderby.com), and 2005 Kentucky Oaks Web site, [www.kentuckyoaks.com](http://www.kentuckyoaks.com). The new and improved sites offer the most comprehensive coverage of the "Run for

the Roses" and its sister race, the Kentucky Oaks.

The sites feature exclusive articles, news updates, famous Derby stretch calls, Web cam views of the racetrack, videos of celebrities' Derby and Oaks selections and a wealth of information about the contending horses, including past performance information as well as archived videos of Derby and Oaks prep races that fans can view free of charge. The redesigned portals also present the events' sights and sounds in a manner that conveys the excitement and pageantry of the Derby weekend.

## **WPT to Launch Online Gaming Site**

WPT Enterprises, Inc. and WagerWorks recently finalized its agreement to develop a WORLD POKER TOUR™ (WPT) branded real-money gaming website. The two companies also announced that the site, WPTonline.com, is expected to go live in the second quarter of this year. WPTonline.com will prohibit bets from players in the U.S. and other jurisdictions where online gaming is prohibited.

## **Gaming Transactions Inc. Announces Keno.com**

Gaming Transactions Inc. announced its entry into the online gaming entertainment sector with the acquisition of Keno Ltd. (UK), the licensee of [www.keno.com](http://www.keno.com). The acquisition, which finalized on September 30th of last year, includes the licensing of gaming transactional software and a number of games. Since then, the Company has built its infrastructure and attracted a management team with depth and experience in e-commerce; specifically, internet gaming and casinos.

## **Youbet.com to Launch Chinese Site**

Youbet.com plans to launch a horse racing entertainment website in March of this year exclusively for access by customers in Mainland China. The new site, which will mirror aspects of the Company's highly successful U.S. web platform in Simplified Chinese, is intended to extend Youbet's brand awareness by exposing the world's most rapidly growing Internet population to the excitement of U.S. horse racing.

It will feature live feeds from U.S. tracks selected primarily because their races run at times that align with daylight time zones in China. Initially, Youbet will broadcast signals and program information in Chinese from the Meadowlands Race Track and Monmouth Park Racetrack in New Jersey; from Sam Houston Race Park in Texas; and from Delta Downs and Evangeline Downs Race Tracks in Louisiana.

Construction of the new URL also will produce the architecture needed to launch fully functional Spanish and Chinese language sites in the U.S., programs that Youbet is pursuing to respond to changing demographics in many of the country's racing centers. The Spanish and Chinese versions of Youbet.com will go live before the end of the second quarter of 2005.

There is evidence of substantial investment in horse race track development and equestrian centers on the Mainland China. There is a new \$50 million track operating in Beijing and another \$180 million has been committed for a racing complex in populous Hubei Province (pop. 60.3 million) in east central China. ♦



# People



Virginia State Lottery Director **Penelope W. Kyle** was recently named president of Radford University. Kyle will leave her Lottery post, a position she has held since 1994, and begin her new post in June. Kyle, the first woman to be named president of Radford University, was unanimously chosen by the school's governing board.

**Michellene Davis**, a lawyer and veteran state policy adviser, has been nominated to be the next executive director of the New Jersey Lottery. Davis replaces **Virginia Bauer**, who moved to commerce.

Oklahoma Governor **Brad Henry** has appointed several members to the Oklahoma Education Lottery Commission. The bi-partisan group includes: Former Oklahoma City Mayor **Ron Norick**; **Cindy Ball**, named teacher of the year in 2004 by the state Department of Education and in 2002 by the Oklahoma Foundation for Excellence; **James Orbison**, an attorney, former chairman of the Oklahoma Transportation Authority, and former director of the Federal Home Loan Bank of Topeka; **William Paul**, attorney, former senior vice president of Phillips Petroleum Co., former director of the Oklahoma City Chamber of Commerce and former president of the American Bar Association; **George R. Charleton Jr.**, owner of Charleton Investments, Charleton Construction Co., Charleton Catering and Tulsa-area Subway Sandwich Shops; former minority retailer of year and Tulsa small businessman of the year; **Linda Dzialo**, retired educator, former vice president of Cameron University and former assistant superintendent, principal and teacher in Lawton Public Schools; and **Thomas F. Riley** of Stillwater, businessman and certified public accountant; former vice president-CEO of Chickasaw Telecommunications; former employee of Price Waterhouse Coopers audit and tax department.

Hoosier Lottery Executive Director **Esther Q. Schneider** announced that two highly experienced professionals have filled executive-level positions. **Ellen M. Corcella** takes the reins as the Director of Security and **W. Edward Benton** joins the Lottery as its Chief Financial Officer. Corcella has served as a prosecutor her entire legal career. She was previously a deputy prosecutor and supervised the grand jury division of the Marion County Prosecutors Office and was a deputy prosecutor and Chief of Operations in the St. Joseph County Prosecutors Office in South Bend for about two years. For the past 16 years, Benton worked for Anthem Inc., now called WellPoint Inc. Benton held various positions there including Vice President and Controller and Senior Accounting Officer.

The Georgia Lottery Corporation has hired **Connie Laverty** as its new chief operating officer. Laverty was most recently the marketing director at the New York Lottery.

The Pennsylvania Gaming Control Board recently hired two members of its executive staff. **Nick Hays**, a deputy director of communications for Governor Edward G. Rendell, becomes the Board's Director of Communications. He will serve as the Board's primary spokesman, overseeing all public-affairs issues. **Michael Walsh**, a special assistant to the Governor, joins the Board as a special assistant and will concentrate on administrative and human resources issues.

**Bruce Garland**, who has guided the horse racing industry for the New Jersey Sports and Exposition Authority since 1991, plans to retire at the end of the year. **Dennis Dowd**, currently vice president of off-track wagering, will replace Garland as senior vice president of racing. **Chris McErlean**, now general manager of the Meadowlands Racetrack, will take on the new title of vice president of racing operations for both the Meadowlands and Monmouth Park. In 2004, Garland helped make an \$86 million purse agreement with the Atlantic City casinos, put in place a four-year guaranteed purse and date agreement with the industry and led the charge to bring the Breeders' Cup to Monmouth Park in 2007.

IGT announced several promotions as part of a reorganization of its North American gaming group, under its subsidiary, IGT. **Steve Morro**, vice president of eastern region sales, has been promoted to the position of president, and **Ron Rivera**, vice president of sales, was promoted to the position of senior vice president of sales. Morro has been with IGT since 1988 and has served in various sales and management roles including vice president of North American marketing in Reno and director of Atlantic City Progressive Systems, a position he held through 2004, when he was promoted to the position of vice president of eastern region sales. Rivera has been with IGT for more than 18 years in various sales-related positions, starting as an account executive in 1986 in Reno and working his way up to the position of vice president of sales in 1995, working out of the Las Vegas sales headquarters.

Other organizational changes included the naming of three regional vice presidents of sales: **Toni Martinez** was named vice president of western region sales, **Mike Walsh** will become vice president of central region sales, and **Tim Shortall** will replace Morro as vice president of eastern region sales. All three have been serving as regional sales directors prior to their promotions.

Aristocrat Technologies, Inc. announced that **Melissa Adams** has been promoted to Senior Director, Business Development, reporting directly to President Gavin Isaacs. In this new role Adams will serve as liaison between Aristocrat and external companies and government agencies to build strategic alliances and assist in growing the business. For the past year, Adams has served as Aristocrat's Senior Sales Development Executive.

Gaming Laboratories International (GLI) has hired two top gaming industry veterans for its rapidly expanding development team. **Alan G. Boyd** is a new Development Representative and is based out of Washington, D.C. Boyd will pursue GLI's development efforts in the areas of tribal, charitable gaming, racing and lottery. Boyd brings an extensive background to GLI, having most recently served as the Charitable Games Program Manager for the DC Lottery and Charitable Games Control Board in Washington D.C. **Erin McGranahan** is a new Development Representative and is based out of the Las Vegas Service Center. McGranahan's aim will be to develop the areas of tribes, state gaming, lotteries and charitable gaming, primarily focusing on the Midwest. McGranahan brings an extensive background in gaming to GLI, with her most recent accomplishments being as Project Manager/Compliance Administrator for Caesars Entertainment. ♣

## Arizona

During timeouts at Arizona Rattlers games, two pre-selected contestants will compete in the Arizona Lottery Powerball Power Play by racing while inside two giant powerballs! While the crowd cheers them, the contestants start at the south goal line and race to the north goal line and back. The victor wins \$50 worth of Arizona Lottery Scratchers tickets!

## Arkansas

Arkansas Rep. Buddy Blair proposed a constitutional amendment to authorize a state lottery to benefit upgrades to public school buildings and equipment. If the bill makes it through the legislature it would appear on the November 2006 ballot.

## Atlantic

Guinness World Records™ has awarded the Atlantic Lottery Corporation the title of Largest Scratch Card in the World for their "Big Scratch" ticket, created in 2004 for the Big Scratch Event. Measuring 25 feet one and a half inches tall by 15 feet four and a half inches wide, the Big Scratch ticket is almost as tall as a street light and is approximately 185 times bigger than a typical Scratch'n Win ticket.

The Big Scratch Event took place in Halifax last May. Ten lucky Atlantic Canadians scratched the record-setting world's largest Scratch'n Win ticket to win a prize ranging from \$5,000 to \$100,000. Big Scratch will be back again later this year, with a whole new set of contestants winning the opportunity to scratch the world's largest Scratch'n Win ticket for cash prizes. More details will soon be available. Atlantic Lottery has also issued a challenge to other North American lotteries to try and beat its Guinness World Record for the largest Scratch'n Win ticket.

## California

During the California Lottery's 'Big Upside Bonus' promotion, each time a player buys from five to ten SuperLOTTO Plus® plays for one draw on a single ticket, they will automatically receive from one to three Big Upside Bonus unique eight-digit number(s) on the bottom of their ticket. Each of these numbers will then be entered into a second chance drawing worth \$40,000. The promotion runs through March 12, 2005.

## D.C.

John Jordan "Buck" O'Neil, Negro American League All-Star, officially opened "Discover Greatness: An Illustrated History of the Negro Baseball Leagues" a touring exhibit from the Negro Leagues Baseball Museum, Kansas City, MO, on Feb. 23 at 10 a.m., in Union Station's West Hall, 40 Massachusetts Ave., NE. The exhibit is sponsored by the D.C. Lottery's new Negro League Instant Scratch ticket in honor of Black History Month. At the end of February, the D.C. Lottery introduced its Negro League Instant Scratch ticket, a four-part collectible series featuring photographs of the Homestead Grays, the Indianapolis Clowns, the Kansas City Monarchs and the New York Black Yankees. Players can win up to \$50,000 instantly. The ticket also will include a range of "2nd Chance" prizes.

## Georgia

The Georgia Lottery Corporation announced the launch of \$100 Million Cash Spectacular, a new instant game with 10 \$1 million top prizes and the highest payout percentage in GLC history. In addition to the 10 top prizes of \$1 million, the \$10 game offers over \$118 million in total cash prizes.

In conjunction with \$100 Million Cash Spectacular, the GLC is conducting its biggest statewide promotion ever – Million-Dollar Hoopla. Players can enter a second chance drawing with \$10 worth of non-winning Georgia Lottery tickets for a chance to win \$1 million.

The Georgia Lottery Corporation announced that its week ending Feb. 12 was the highest sales week in GLC history. Sales for the week ending Feb. 12 were \$77,515,639. Georgia Lottery sales were comprehensively strong for online and instant games. Instant games performed particularly well, led by the new game \$100 Million Cash Spectacular.

## Illinois

For every Pick 3 drawing from March 1 through March 22, the Illinois Lottery will hold a special Promotional Drawing (Shamrock Shuffle) with white and green balls. If the green ball is selected, the Lottery will hold a second Pick 3 drawing and will pay out on both sets of numbers!

A bill to create a lottery game that dedicates proceeds to fighting breast cancer cleared the Illinois Senate by a vote of 47 to 9. The bill now heads to the House.

## Louisiana

There's always a chance of winning thousands of dollars on Louisiana Lottery scratch-off tickets, but during February Lottery players could also receive a \$10 discount on seats at any of the six New Orleans Hornets home games. To participate in the promotion, fans had to bring any five non-winning Louisiana Lottery scratch-off tickets to the New Orleans Arena box office. In return, they received \$10 off any Hornets February home game ticket priced at \$40 or more. In addition to the ticket discounts, a lucky seat number was drawn at each February home game to win a pack of Lottery-branded merchandise. Also, there were t-shirt giveaways and a halftime on-court contest for fans to win Lottery products.

## Massachusetts

The Massachusetts Lottery continued its efforts to eliminate instant ticket litter from neighborhoods and streets by bringing the successful "Instant Replay" anti-litter program to the Boston Home Show at the Bayside Expo Center on January 28-30th, 2005. The Lottery's "Instant Replay" program gives players that hand in 20 non-winning instant tickets a free \$1.00 instant ticket in return. There is no limit on the number of tickets a person can redeem. Lottery employees worked steadily throughout the weekend collecting 159,000 pounds of non-winning instant tickets from players at the Home Show. By collecting the eight tons of recyclables, the Massachusetts Lottery and its players helped to save or conserve the equivalent of: 135 adult size trees; 55,650 gallons of water; 3,101 gallons of oil; 32,595 kilowatt hours of electricity; 24 cubic feet of land fill space; and 477 pounds of effluents from polluting our air. Since its inception in the summer of 2004, the "Instant Replay" initiative has collected more than 25 tons of instant tickets that will be recycled into other useful paper products. This year, the Lottery will bring the program to fairs and other highly visible locations across the state.

## Minnesota

The Lottery's "Big Second Chance" promotion was a big one! Between January 17 and February 23, 2005, the Lottery received an estimated 269,000 entries for four drawings from which four lucky Minnesotans won a total of \$100,000. The huge number of entries received was a record for any Minnesota State Lottery mail-in promotion. Players entered the Big Second Chance promotion by mailing a

# RoundUP

minimum of \$5 in non-winning Scratch tickets to the Minnesota State Lottery. To be included in the weekly drawings, players were required to enter \$5 of non-winning tickets each week.

## Mississippi

The Mississippi House Gaming Committee killed a bill that would have created a Lottery in the State. There is still a chance that a lottery could come back around this year, by being added to an amended revenue bill, but that prospect does not currently seem likely.

## Nebraska

In an informal poll between January 28 and February 6, visitors to the Nebraska Lottery website were asked the following question. "If you pay at the pump for gas, do you go inside to buy Lottery tickets?" Among the 681 respondents, 14.5 percent said, "Always", and 41 percent said, "Sometimes". The size of Lotto game jackpots (Powerball or Nebraska Pick 5) was a consideration for 12 percent who said they go into the store to buy tickets after paying at the pump, "If the jackpot is big." About 8 percent of respondents indicated that time was a factor (probably why they pay at the pump), and replied, "Not if I'm in a hurry." Apparently 24 percent of players who pay at the pump, but said they "Never" go inside to buy tickets after doing so, take advantage of the Nebraska Lottery's many offerings at other times or at other locations.

Another Nebraska survey contest on nelottery.com is accepting entries until midnight on March 13. The survey will take about 20 minutes, and asks players to evaluate different Scratch game features like theme, play style and prizes. Completing the survey automatically enters players in a drawing for \$2,500.

## Nevada

The Nevada Assembly voted 33-9 in favor of a measure to create a statewide lottery to help pay for textbooks, school supplies and smaller public school classes. The resolution to amend the Nevada Constitution to allow a lottery must pass the full Legislature twice before it's put before the voters. It couldn't become law before 2009. The lottery resolution now moves to the Republican-controlled Senate, where Senate Majority Leader Bill Raggio, R-Reno, has come out in support of the bill.

## New Hampshire

Plans to raise the price of scratch lottery tickets recently advanced in the New Hampshire Senate. The Senate voted 18-5 in favor of raising the price of scratch tickets from \$10 to \$20 next year and to \$25 in 2007. The bill now heads to the House.

## New Jersey

The New Jersey Lottery recently presented the Bonus Zone where non-winning scratch-off tickets can win big! To win big in the Bonus Zone, players scratch-off games like Pac-Man, Hollywood Stars, The Young and the Restless or Breeders' Cup Gold. Collecting three non-winning tickets from the same game makes one eligible for second-chance drawings with thousands of great prizes!

## Oklahoma

Oklahoma Finance Director Scott Meacham says he is confident a state lottery will be in operation on a limited basis this fall. An October 1st starting date was projected when state officials estimated that the lottery would generate \$62-million for the state during the fiscal year that begins July 1st.

Meacham says he believes the lottery can begin "around October" by offering only the scratch off lottery tickets. He says online lottery games will begin about six months later and "power ball" games with big prizes tied to lotteries in other states would start about six months after that.

## South Carolina

The first week of sales for the South Carolina Education Lottery's newest online game, Palmetto Cash 5, exceeded lottery officials' expectations. Sales for Palmetto Cash 5 started February 12. SCEL's gaming system shows that for the six days ending February 17, sales totaled \$685,602. Sales for the Power-Up option accounted for 37 percent of the total sales. More than 40,000 winning tickets totaled more than \$270,000 in prizes during this six-day period – but not all the tickets have been claimed. Palmetto Cash 5 drawings are held at 6:59 p.m. Mondays, Wednesdays and Fridays.

## Texas

Texas Lottery® players can once again find the popular Set For Life scratch off game back in lottery retail outlets. Set For Life (game #533) replaces Set For Life (game #499), which was recalled on January 13, 2005, by the Texas Lottery Commission. For \$10 a ticket, Set For Life offers players the opportunity to win the top prize – \$5,000 a week (not to exceed \$5 million total). The game also offers more than 257,000 prizes of \$50 to \$500. Each ticket offers players 20 chances to win.

The Texas Lottery Commission announced that total transfers to the Foundation School Fund, which supports public education in Texas, have topped \$7 billion. As of February 2, 2005, the exact amount transferred to the fund is \$7,012,935,039.

## Virginia

Here is an attractive tradeoff for retailers: the Lottery supplies the product, and in return, retailers hand over the worry. That was the idea behind the Virginia Lottery's Worry Free retailer incentive program, which began January 3 and continued through the end of February. During that time, Virginia Lottery retailers earned an extra \$2 for each ticket pack they received by auto-shipment and activated. This utilized the Virginia Lottery's inventory management program in which packs of tickets are automatically shipped to retailers without the retailer ever having to take time to talk to Lottery representatives. With this retailer incentive program, the Virginia Lottery tells its retailers: "Let us do the worrying for you."

## Washington

Four lucky contestants will be chosen at random to participate in the Washington Lottery's "Price is Right" promotion during halftime of the Sonics vs. Chicago Bulls game on March 11 at Key Arena. Contestants will have the chance to win fantastic prizes from the Washington Lottery and the Seattle Sonics. To enter, players must email the Washington Lottery and tell them what they would do with their Washington Lottery winnings.

## Wyoming

The Wyoming House narrowly defeated a lottery Bill that would have created a state lottery. The vote was 29-29, two votes shy of passage, with two representatives excused. The bill would have allowed Wyoming to join 27 states that offer Powerball, including five of Wyoming's six surrounding states. Oversight of Wyoming's lottery would have come from the state's Pari-Mutuel Commission. Last year, the House passed a lottery bill 32-24, but the measure was killed in the Senate. ♦





# save the date—G2E 2005.

September 13-15, 2005 Las Vegas Convention Center

September 12, 2005 G2E Training & Development Institute

Global Gaming Expo (G2E) 2005 will attract thousands of gaming professionals from around the world who'll come to sharpen their competitive edge. Join us, and ensure you stay ahead in this challenging market. Mark the date on your calendar.

For more information, visit [www.globalgamingexpo.com](http://www.globalgamingexpo.com)

Questions? Call toll free 1-888-314-1378 or 1-203-840-5626

global   
gaming  
expo

F&B  
A G2E EVENT | AT G2E



An American Gaming Association Event

Organized by

 Reed Exhibitions



# Why no regulator should PASS on SAS

**AEGIS-Video™ is the only video control and monitoring system utilizing SAS 6.0 I protocol, the ONLY standard protocol accepted by the gaming industry.**

With SAS, gaming machine manufacturers no longer have to adapt their implementations to a proprietary protocol, thereby eliminating costly reprogramming that often takes months.

With SAS, players gain quick access to the newest, most popular and progressive themes, including those designed by the manufacturers that provide 95% of the gaming machines on casino floors.

To learn more about this flexible, robust open system, contact Elio Lombardi at +1-770-664-3700 (USA).

**"The New Mexico Gaming Control Board did a cost-benefit analysis and determined that AEGIS-Video™ could save us about half what we now pay to provide 24-hour staffing to ensure the same high level of operational integrity."**



**Greg Saunders**  
Deputy Director  
New Mexico Gaming  
Control Board



**DELIVERING SERIOUS FUN!**  
[www.scientificgames.com](http://www.scientificgames.com)

