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MARCH/APRIL 2020

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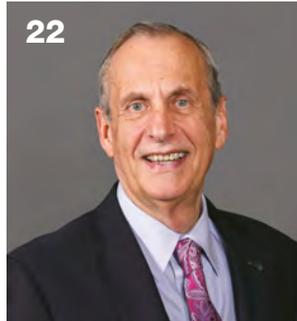
At IGT we are working around the clock to ensure our employees remain safe and connected, and that our customers have what they need during this difficult time.

Across the world, please stay safe and healthy.



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Shareholder with Greenberg Traurig, LLP, resident in its Boston office



Publisher & Chief Executive Officer
Paul Jason
pjason@publicgaming.com

President
Susan Jason
sjason@publicgaming.com

Brand and Design
Dan Eggers Design

Honored Founders Doris & Duane Burke
Contact Information

T: +425.449.3000
F: +206.374.2600
For email address changes, subscription requests and requests to be placed on our e-Newsletter distribution list, contact:
sjason@publicgaming.com
PGRI, Inc.
218 Main Street, #203
Kirkland, WA 98033
PublicGaming.com

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From the Publisher

The whole games-of-chance industry converges on London the first week of February every year for two main events, and an endless series of smaller events and meetings. In conjunction with the **World Lottery Association**, the **European Lottery Association produces the annual Marketing Seminar** that is attended by the leadership of European lotteries. It also includes the **PGRI Lottery Industry Hall of Fame** award ceremony – this year inducting **Younes El Mechrafi** (CEO of MDJS, the Morocco Sports Lottery) and **Olli Sarekoski** (CEO of Veikkaus, the Finland Lottery and gaming operator). The 2019 inductees also include **Mark Michalko** (Director North Carolina Lottery) and **May Scheve Reardon** (Director Missouri Lottery) who were inducted at the fabulous **NASPL annual event in Little Rock Arkansas** last October.

The two big themes of this issue are **iLottery in the U.S.** and **globalization**. The number of super-successful iLottery programs active in the U.S. is increasing. Still, a very small percentage of the lotteries in the U.S. are allowed to make their products available to the online audience. I hope that the article by **Drew Svitko** that describes the experience of the **Pennsylvania Lottery**, and the article on **Tom Delacenserie-led and Gerry Aubin-led panel discussions on iLottery: Connecting with the Modern Consumer and Sports-Betting**, might help lottery stakeholders to advocate for regulatory change that allows more lotteries to sell lottery products online.

There are a couple of immutable macro-political-economic trends that are already affecting the government lottery sector. One is privatization – the trend towards moving as many services from the public (i.e. government) sector over to the private (i.e. commercial) sector. This trend speaks directly to the essence of the business model of government-lottery operators. Profoundly significant economic benefit is channeled back to society by virtue of the high margins on lottery products. These margins are possible only because of monopoly protection. That monopoly protection is being threatened by two emerging models. One, faux lotteries which allow the

consumer to bet-on-the-outcome-of-the-lottery which is evolving into commercial companies creating betting products that resemble the lottery-playing experience only deliver much high prize-payout percentages. And two, the growth of what used to be small local lotteries that have morphed into formidable competitors to government-lotteries. They are called “Society” lotteries and include The Health Lottery in England, the “People’s Postcode Lottery” and now commercial iLottery operator Zeal Networks is barging into this space.

As this is our conference issue with the program on the last four pages of this issue, I want to **Welcome you to SMART-Tech Miami**. We have a wonderful series of presentations and panel discussion, led by world-class speakers, moderators, and panelists. We hope you find it rewarding and enjoyable. We also hope you give us feedback on how we might improve any of our products and services, including this magazine, our digital products, and PGRI conferences. We know there is lots of room for improvement and appreciate your guidance and support!

Along with great sessions that focus on **The Store of the Future**, we have two special events. One is the presentation of the **Sharp Award for Good Causes** which recognizes the lottery which produces the biggest year-over-year increase in net funds for its beneficiary. **The New Hampshire Lottery delivered a 21% increase in net funds in fiscal year 2019 over FY2018**. Commencing operations in 1964, the NH Lottery is the first U.S. lottery in modern times. Accepting the award will be the **Executive Director of the NH Lottery, Charlie McIntyre**.

Rebecca Hargrove founded the **Women’s Initiative in Lottery Leadership (WILL)** in 2016. WILL has become a formidable force for progress, leadership, and education. Receptions are held to promote the cause and keep its mission top-of-mind. The last one was held at the WLA/EL Marketing Seminar in London on February 6. The next one will be at **PGRI SMART-Tech Miami on March 5**. Along with valuable networking sessions, WILL organizes a very robust and successful mentoring program,

connecting leaders willing to mentor with talented women who want to learn and grow and optimize their career potential. And WILL, along with sponsors like **IGT** and **Scientific Games** and others, hosts fabulous half-day educational seminars on the afternoon of the second day of PGRI conferences. Beginning at PGRI Lottery Expo a couple years ago in Atlanta, continuing last year at this time at SMART-Tech Fort Lauderdale with a wonderful session featuring Women-in-Leadership luminary and seminar leader Anne Simmons, and then last October at PGRI Lottery Expo NYC with corporate and government leader Frances Fragos Townsend ... these WILL seminars now play to standing-room-only crowds. On **Thursday, March 5, IGT is sponsoring the fourth WILL Educational Seminar. Rebecca Hargrove is the MC. Lisa Bergeron, the Founding Partner and Chief Visionary Officer of AWE, Advancing Workplace Excellence, is leading an immersive and interactive session that promises to delight as well as inform all participants, and to advance the exciting journey that is WILL.**

Next up is **European Lotteries Industry Days** in Manchester England (June 8-10). We look forward to seeing many of you there. Then there is **NASPL Professional Development Seminar** (July 20-24) in Denver, then **PGRI Lottery Expo NYC** (Sept 22-24), then G2E Las Vegas, and closing the year out with the fabulous World Lottery Association’ bi-annual event called the **World Lottery Summit**. It is held at different locations around the world and every six years returns to a North American venue. This year the **World Lottery Summit** is being held at the beautiful city of Vancouver, Canada. The president of the WLA, Rebecca Hargrove, and our Canadian and NASPL hosts invite and encourage you to all come and enjoy the biggest trade-show and conference event in our industry.

We look forward to seeing you at these wonderful industry events!

Paul Jason, Publisher
Public Gaming International Magazine



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Why iLottery expands the player-base and benefits retailers:

Land-based retail sales grow in spite of because of iLottery growth.

Drew Svitko, Executive Director, Pennsylvania Lottery



Following is an article based on the keynote presentation by Drew Svitko at PGRI Lottery Expo NYC on October 29, 2019 in New York. You can view a video of the complete presentation at PGRItalks.com.

Land-based retailers are the face of lottery to the consumer. In the U.S. alone, retailers sell over \$80 billion in lottery tickets a year. Retailers trust us to protect their interests and they are concerned that making lottery products available online may cause some of their customers to make less purchases at their stores. Retailers have also expressed worry over potential cannibalization negatively impacting their sales of lottery products. When Paul asked me to talk about this, he suggested the title be “Retail sales grow in spite of iLottery growth.” I approved, but with the modification that retail sales are growing not “in spite of”, but because of iLottery growth. As U.S. states receive authorization to sell online, we are finally able to demonstrate to retailers that not only is iLottery not hurting retail - it's helping. The Pennsylvania Lottery launched its iLottery program in May 2018 and we are already seeing brick-and-mortar sales benefit, because of iLottery.



ILOTTERY AND IN-STORE SALES GROWTH

We began the journey leading up to our iLottery launch by meeting with many retailers, retailer trade groups, and legislators who were concerned for their retailer constituents. The Pennsylvania Lottery was generating about \$4.1 billion in sales through our land-based retailers. We assured them that their revenue stream would continue to grow. They got on

board, but they in turn assured us that we would be held accountable for our promises.

We saw that by applying well-established PA Lottery Best Practices, iLottery was, in fact, helping to fuel in-store growth. The Lottery was expanding its

player base, becoming more relevant to the modern consumer, giving retailers a reason to support iLottery by engaging them in the process of player acquisition.

A key goal from the beginning has been to build an interactive relationship with our online players and leverage that online connection to drive those same customers into stores and generate incremental in-store spending. We wanted to integrate the digital and physical sides of our business to benefit both the lottery and our retailers. Because of the example in Michigan that preceded us, we knew that there was no evidence that iLottery would hurt traditional retail. In fact, it was quite the opposite – traditional retail continued to grow along with the launch and subsequent growth of the iLottery channel. Like many of you, last year we had our best year ever. Of course, the jackpot games were a big contributor. Overall sales were up 7.2% and jackpot sales were up about 6%. But in the meantime we did \$381 million and generated \$31 million in profit from iLottery in our first year. Sales continue to grow this year. Non-jackpot sales





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continue to grow at retail too, and we're on track for brick-and-mortar sales to continue to grow while iLottery play does a half-billion dollars in just its second year in Pennsylvania.

We started with a disciplined approach toward executing on a comprehensive plan to use iLottery to strengthen the relationship with our traditional players and drive them back into the store and generate incremental spending. To do that, we needed to fully understand the motivations of the players.

EXPANDING THE PLAYER BASE

While young consumers, twenty-somethings, shop in brick and mortar stores it's very common for them to ignore our displays, machines and POS material. They walk right past us to buy the products they came in for and they're not even seeing us. We saw iLottery as an opportunity to re-shape that consumer perception of lottery for the benefit of our retailers. iLottery is making the products and brand more relevant to our traditional players, and it is attracting the attention of a new audience.

iLottery has helped us improve our relationship with those players and offer them incentives to walk into stores and purchase other products. Retailers already know that the lottery customer buys other products and is a very profitable customer for them, and we remind them of that, too. We explain how iLottery is an engine that attracts the attention of new consumer groups who become lottery players who also play at retail and buy their milk, bread,

eggs, and other products while they play at retail. We use specific cross-promotions online to drive the community of online players back into the stores. iLottery is effectively promoting our retailers. And they know it. Once retailers see how this is working to their advantage, they come around to supporting our iLottery initiatives, and help us figure new and better ways to connect with the consumer

promotions and holiday games, is being leveraged to create a more engaged consumer for the retailer as well as for the Lottery. An example of that is our GRUMPY CAT® game, which we offer in all those formats. We have the scratch offs, we have an iLottery version, and we have a Fast Play version of that game. We also cross-promote the game by giving incentives to everybody who plays the iLottery version of GRUMPY CAT®, a coupon that is redeemable at the retail store. For example, play \$20 worth of GRUMPY CAT® online and you might get a \$2 Fast-Play coupon or a free \$2 scratch off ticket. And we're seeing about 20-25% coupon redemption rates from those products; absolute

iron-clad proof that we're driving iLottery players into stores where they make a purchase. And retailers are seeing that.

The old perception that retailers don't support iLottery is changing. They are now coming to us and wanting to be an active participant in the development of an integrated plan to engage the multi-channel player.



Almost 40% of our iLottery play is coming from people under the age of 40 and that's definitely a shift towards a younger demographic.

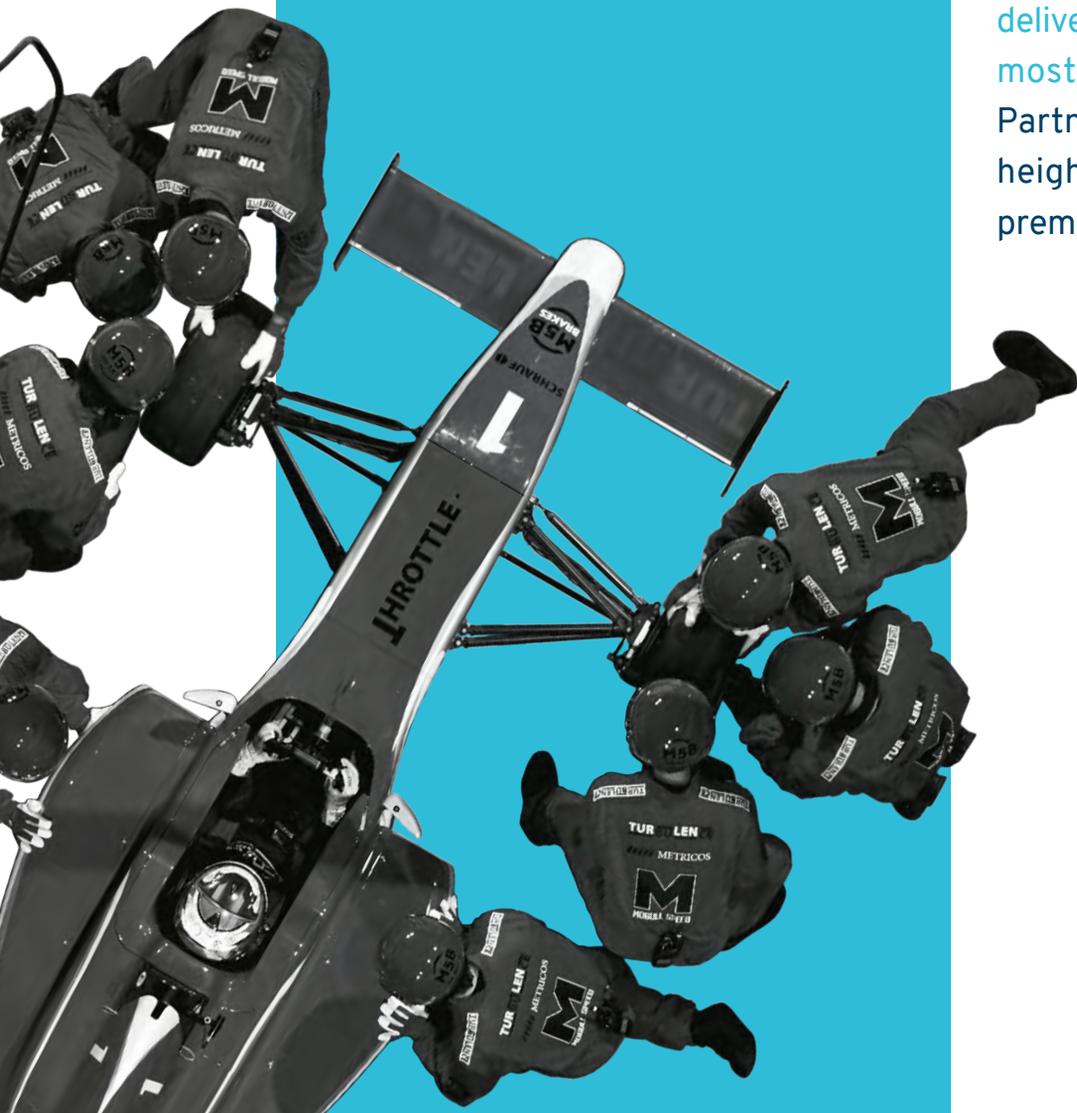
and create that multi-channel interactive relationship that benefits everyone. The Lottery brand, and our investment in licensed properties as well as well-funded

We have found that iLottery players are about 10 years younger than traditional players. Almost 40% of our iLottery play is coming from people under the age of

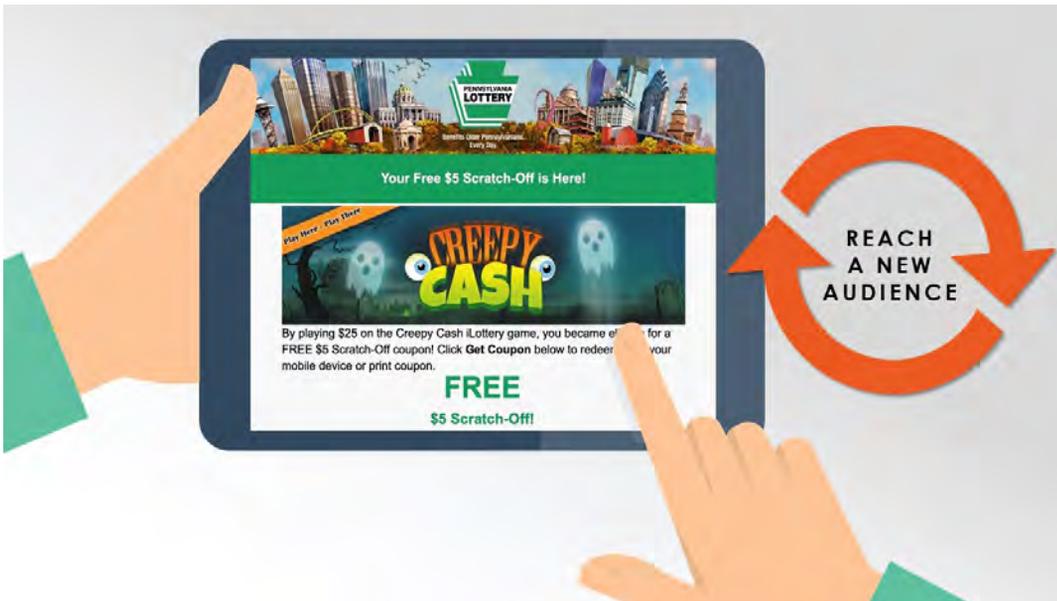
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flexibility. As a result, we launched a revised referral program where we give them the option of continuing to have that profit-share as a percentage of the net gaming revenue for a couple years, or a flat \$75 for every customer that they help sign up for iLottery. Retailers may also earn a bonus commission if a player they referred wins \$100,000 or more.

Here is how it works: The retailers have a brochure and that brochure has a unique code specific to that retailer. For every player who enters that code online and sets up an iLottery account, that retailer gets \$75 cash as soon as that player makes as little as a \$10 deposit. Additionally, there is a hybrid plan that offers \$25 cash combined with a smaller share of the revenue. These programs engage the retailer in the success of our player acquisition efforts. But you can see, and our retailers can see, that they also reinforce the feeling of trust and confidence in our partnership, and our commitment to helping them succeed and make money from iLottery.

WebCash is an iLottery funding mechanism sold at the traditional retail terminal. To give players an additional reason to

buy Webcash, we created a special offer. iLottery players who buy Webcash at retail get a \$25 iLottery credit for only \$20 at retail. It is an effective iLottery player acquisition tool for us, the retailers get a standard commission from it, and the iLottery customers who go into retail to buy a lottery product end up buying other products while they are in the store. Win-win-win. These may be small things but added together they absolutely have an effect. I think about 7% of Michigan's iLottery player deposits was coming from that program and four or five months into the program, we've seen WebCash making up about 5% of total deposits. We are confident that it will continue to grow and we will continue to develop tools like this that integrate the digital and physical sides of our business.

Continued

EARN EXTRA MONEY with the iLottery Referral Program

PROFIT SHARE **FLAT FEE** **HYBRID PLAN**

EXPAND THE PLAYER BASE BY INCENTIVIZING RETAILERS

iLottery customers who go into retail to buy a lottery product end up buying other products while they are in the store. Win-win-win.

40 and that's definitely a shift towards a younger demographic. That is relevant to retailers, because it is yet more evidence that we are reaching a new audience. But our integrated approach is not just for launching iLottery. It's ongoing. Our key strategy is to build online relationships, appeal to players through multiple channels of distribution and media, for the benefit of the retailers and the players alike. We'll continue to add more games and features. We want to give credit to our friends in Michigan who showed us and the retail

community how iLottery complemented and augmented consumer engagement at retail.

Another lesson that we learned from our friends in Michigan was the value of a referral program. We launched iLottery with an affiliate program that also gave retailers a share of the net gaming revenue that we generated from players for the first couple of years of the player's new iLottery life. But our conversations with retailers revealed that they wanted more

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Drive Online Players Back to Retail

Our goal is to build a full integration of the two sides of our business – online iLottery and off-line traditional retail - a full integration of every component. We continue to work on ways to drive iLottery customers into retail and to drive retail customers to iLottery. Our prepaid debit card - we call it “Play Plus” - is a physical card and a branded iLottery funding mechanism that allows players to load money into their iLottery account and also get money out of it. That money becomes redeemable at retail. Most of our retailers have a PIN pad device connected to their terminals that enables them to accept this debit card. “Play Plus” is also compatible with our vending equipment which already has debit card readers. Again - integrating the two sides of our business.

Player acquisition is a big cost to building an effective iLottery program. It is vital to engage retailer support and active involvement in the process. Some of our best and biggest affiliates who have well-established digital programs are benefiting in a huge way from the affiliate program. By simply providing a link to iLottery on a website, these affiliates are earning additional revenue, some of them significant revenue.

Part of our integration of online and off-line channels is to discontinue the use of terminology that reinforces the perception of differences. Over time, we will stop referring to “iLottery” and just call it the Pennsylvania Lottery – play online. Whether you play on your mobile or vending machine or at the clerk-assisted retail counter – it’s all still lottery gaming, and you’re playing the Pennsylvania Lottery.

We are also working on another payment methodology - a mobile pay that enables the players to use their phone to pay, and a mobile wallet, which will allow not only mobile pay but also will allow use your mobile app to cash tickets. Imagine having a \$10 Powerball® winning ticket and being able to use your PA Lottery app to take a picture of the bar code, for us to then do all the validations and debt collection in the background and in a couple seconds have that money deposited into your iLottery wallet. And then being able to use that iLottery wallet to buy things at retail - not just lottery products but other products. We should have that within a year or two.

Retailers don’t want to keep more cash in the drawers than necessary. So we are looking to expand the “Play Plus” card to provide retailers a way to load money onto that card, enabling the retailers to pay a prize without using cash. Another benefit to retailers is that the funds on the consumer’s “Play Plus” card can then be used to buy other products or more lottery products.

The main idea is that we are highly focused on creating a full integration of the digital and physical sides of our business. And we want our retailers to be our partners in helping players to easily migrate across multiple channels. That is what the players want, it is what we want, and it is what brings in new consumer groups, drives store traffic, and increases sales for our retail partners as well. As always, constant communication and genuine transparency will continue to be the key to maintaining the positive and productive relationship we have with our retailers.

Develop a plan to integrate both sides of your business. Communicate that plan to your retailers. You will grow your player base, you’ll increase retailer engagement, and you’ll grow sales and profits both for the retailer and for your lottery.

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Following is an edited transcript of the panel discussion held at PGRI Lottery Expo NYC on October 29, 2019 in New York. You can view a video of the complete panel discussion at PGRItalks.com.

UPDATE ON THE PROGRESS OF SPORTS-BETTING IMPLEMENTATIONS IN THE U.S.

Moderator: **Gerry Aubin**
Executive Director, Rhode Island Lottery



PANELISTS:

Nick Papadoglou
Vice President & Chief Commercial Officer, INTRALOT US

Barry Pack
Executive Director, Oregon Lottery

Beth Bresnahan
Executive Director, DC Office of Lottery & Gaming

Rebecca Hargrove
President and CEO, Tennessee Education Lottery Corp. President of the World Lottery Association

Moderator: Gerry Aubin
Executive Director, Rhode Island Lottery

Introduction: According to U.S. federal law, all forms of gambling are prohibited throughout the United States until and unless it is specifically legalized and regulated by the individual state. Until May of 2018, the federal prohibition against sports betting did not even allow the states to legalize and regulate it. So states could legalize all forms of gaming except sports betting. Then in 2018, the Supreme Court ruled that states could not be prohibited from regulating sports betting. And so the last eighteen months have been a whirlwind of activity as state legislatures are exploring the pros and cons to different regulatory approaches. The Rhode Island Lottery implemented sports betting around 18 months ago, and the Oregon Lottery around two months ago. The District of Columbia Lottery is on deck to launch in 2020, right about when you are reading this. The Tennessee Education Lottery is tasked with regulating sports betting and is in the process of establishing terms, conditions, fees for application and licenses. The directors of those lotteries are joined by the Chief Commercial Officer for INTRALOT US to discuss the challenges, the opportunities, and some predictions for how things might evolve over the next couple years.

Gerry Aubin: We anticipated the possibility that sports betting would be legalized in Rhode Island and took the initiative to prepare RFP's ahead of time in order to be ready to fast-track the implementation once it was approved. The Rhode Island constitution and legislation stipulates that the RI Lottery operate all gaming in the State, and that includes sports betting. Our implementation began in late fall 2018 with on premise wagering at the two casino locations, which the Lottery already operates; and we launched statewide mobile sports

betting this past September.

The constitutionality of sports betting in Rhode Island was being challenged in court, so we were mindful of that with each phase of implementation. The servers, through which all sports betting transactions both on premise and mobile are processed, are located at the casinos. Mobile users must appear in person at one of the casinos to activate their account, and once the account is activated, players can wager from anywhere within the borders of Rhode Island.

70% of the world's sports betting is operated and/or regulated by government lotteries.

Rebecca Hargrove: Unlike Rhode Island, Oregon, and DC and other lotteries, the Tennessee Education Lottery only regulates sports betting. It manages the RFP and licensing process and determines regulatory policy, terms, fees, and conditions. But the TN Lottery does not operate sports betting.

Tennessee's legislation allows only for online sports betting. No casinos, no parlay betting at retailer venues – it's all online only. We've spent a lot of time looking at best-practices not only as they are being applied in Rhode Island, West Virginia, New Jersey, Oregon, D.C., and other states that operate

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sports betting; but globally because that is where many Lotteries have been operating online sports wagering for many years. And it's not just about the rules and regs for companies once they are operating. The application and licensing process itself sets the foundation which supports the regulatory regime. We expect ten to thirteen applicants and there is no restriction on the number of licenses, only that applicants meet the suitability requirements.

There are many costs associated with background checks and other necessary licensing procedures. The license fee requires a \$50,000 upfront payment and then an annual \$750,000 payment. The license fees are stipulated by the enabling statute.

I think that means we are all in agreement that players prefer a legal sports betting option and that sports betting will not cannibalize lottery.

Beth Bresnahan: The District of Columbia has one of the more complex structures being implemented in the U.S. In December of 2018, the DC Council passed a bill that legalized sports betting in the District of Columbia and that bill was formally approved by the U.S. Congress in early May of this year. This bill designated the DC Office of Lottery & Gaming as both the regulator and an operator, though not exclusive operator, of sports betting. The DC Lottery will operate sports betting through a district-wide mobile application

as well as through a number of retail network chains. The DC Office of Lottery & Gaming will also regulate privately operated sports betting facilities including the Major League sports arenas, hotels, bars, restaurants that may want to operate independently and not through the DC Lottery.

We have regulations that were adopted in August of this year and we're working now to stand up the licensing process for the private operators. Operators, for the most part, can choose which locations where they want to operate their sportsbooks. Capital One Arena where the Wizards basketball team play; Nationals Park where the Major League Baseball World Series Champions Washington Nationals play; Audi Field

where the DC United soccer team plays; and a city owned St. Elizabeths East Sports Arena – those four venues are designated in the statute as Class A facilities. The application fee for those is \$500,000 for a five-year license. Class B facilities could include bars, restaurants, maybe hotels and other service industry facilities. The application fee for those is \$100,000 for a five-year license. As we are working to stand up the privately operated sports betting license, we are also building out the mobile app and retail network platform with our vendor INTRALOT.

There was a lawsuit that put everything on hold but it was dismissed so now we are moving steadily forward with the development and implementation. As Rebecca said, there's never a shortage of interesting challenges when it comes to launching sports betting. We expect to have the Lottery operated product launched and in the market in the spring.

Barry Pack: We tried to minimize the complexity and complications of the sports betting rules and regulations in Oregon. We limit gambling to those games offered by the state Lottery and Tribal casinos. We just launched our sportsbook two weeks ago, so we do not have a long track record to talk about yet. At this point, it is digital only, with a Mobile app. We consider the launch to be a tremendous success. Even the glitch at the start was, on hindsight, a good problem to have. We think of it as a Black Friday at Walmart when there are just too many people coming through the front door at the same time. Things stalled for a brief time and were fixed and have been running smoothly since. But, as everyone has already said, the issues are more complex than those we face in the world of traditional lottery.

My gaming commission has pretty broad constitutional authorities. We have a long list of things that we agreed that we could live without at launch but that we wanted to implement shortly thereafter. We are now in a good position to expand the offer. The next phase is to put together a business case and decide what the right value proposition for our players is for a retail-based strategy. It may be a kiosk or tablet-based

technology solution. Or maybe a near-field-frequency based solution that enables wagering on the player's own mobile device when they're in a retail location. It could include different playing options than if you're sitting at home in order to add value to our retailer. Or maybe give the retailers a parlay option. We do want to give retailers the opportunity to participate in sports betting.

G. Aubin: INTRALOT has a tremendous amount of global experience with sports betting, especially in Europe. And you are the technology partner for the DC Office of Lottery & Gaming. Nick, what are your thoughts on what's happening in other jurisdictions and their structures?

Nick Papadoglou: Thank you, Gerry. First of all, congratulations for leading a great launch in Rhode Island. Rhode Island Lottery set a very good example for other lotteries that will be following with sports betting implementations. And congratulations to you too Barry for what you have accomplished in Oregon. You have both shown sports betting can be a dynamic and powerful part of the lottery gaming portfolio.

Sports betting one of the fastest growing game categories in the world outside of the United States, it is also regulated and/or operated by the government lottery in 70% of the regulated markets world-wide. The different ways that a sports betting product can be launched into a market depends on how competitive the market is, and how the players react to the complexity of sports betting, and that depends somewhat on how much they love sports. Do the players want entertainment,

do they want parlay betting and, if so, what flavor of Parlay?

Retail distribution enables the operator to offer anonymity to the players which is valued by some players. Retail is also a very effective communication channel for the operator to promote and educate the marketplace about sports betting. And sports betting can be a very useful retailer engagement tool. But I would agree with others that a Mobile-first strategy is best. In the long-run, both the operator and the players are best-served by the interactive relationship that involves player registration. And you have much more flexibility to offer the complete variety of games on the digital platform, whereas at retail it is important that the games be

more limited in number and variety and also be easy to play.

G. Aubin: Everyone has made reference to the complexity of sports betting. There is also the volatility. Unlike traditional lottery where you set the fixed payout percentages and the results are very predictable, sports betting can have uncertain outcomes that directly impact the financial performance. For example, the Rhode Island Lottery lost \$660,000 last week because the Patriots beat the spread. On last year's Super Bowl, we lost \$2.3 million in one day. Of course, you should be able to calibrate the odds so that you end up making money for good causes in the long-term. So far this year we are pleased that our hold is almost 7%.

But considering we grossed about \$23 million and netted about \$6 million between the state and its partners, there's not the same margin of profitability as there is with traditional lottery. And you have to anticipate and prepare for the peaks and valleys.

uncertainty of sports betting being a source of anxiety, I have committed to my staff that I will only log in once a day to see how the numbers are doing!

My experience is also similar to Gerry's in that the potential to lose money on any given day or

Sports betting issues are more complex than those we face in the world of traditional lottery.

B. Pack: My perspective is informed by just two weeks' worth of experience. I have access to our reporting dashboard which gives granular data and performance metrics. To Gerry's point about the

sport contest takes some getting used to. The profit margins swing up and down – going as high as 13 to 14% to less than 3%. It's important that policy-makers who are allocating the income generated by Lottery to

Continued on page 35



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Lottery & Gaming Research

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paul.lauzon@ipsos.com



Following is an edited and very condensed transcript of the panel discussion held at PGRI Lottery Expo NYC on October 29, 2019 in New York. You can view a video of the complete panel discussion at PGRItalks.com.



iLOTTERY: CONNECTING WITH THE MODERN CONSUMER

PGRI Introduction: There is no business today that isn't online. The modern consumer expects to be able to buy anything online and now, thankfully, U.S. lotteries are finally able to demonstrate just how successful they can be with a full-fledged transaction-enabled internet-based business. And they are providing conclusive incontrovertible proof that land-based retailers actually benefit when lottery operators build out the online connection with the players.

UNANTICIPATED BENEFITS OF iLOTTERY

As expected, iLottery appealed to the younger and perhaps more affluent consumer demographic profile and that is good. Not necessarily expected, though perhaps it should have been, is that everyone is on-line, and everyone appreciates the option of playing online, including the core lottery players. The option to interact with us online appeals to everyone - regardless of age, gender, where they live, or any other demographic attribute. Another powerful benefit is the many ways in which the online connection to the players yields invaluable information and insight into their preferences and trends. The data captured by online play is an endless source of guidance into game development and ways to improve marketing, promotional and brand messaging. It is like having a 24/7 focus group that informs the decision-making process in countless ways.

Players have to register and join the Players, Loyalty, and/or VIP clubs in order to play online. That transforms the player from being an anonymous consumer at retail into the client who interacts with Lottery on a

personal basis. This dynamic Interactive relationship becomes the basis for long-term sustainability. And as is emphasized in all the current literature on consumer trends and shopping behaviour, Convenience is King. Everyone wants easy, intuitive options and the flexibility to play whenever, wherever and however they choose. And this "want" is rapidly becoming an imperative requirement. The patience the consumer may have had with operators that fail to deliver maximum convenience and flexibility is rapidly disappearing altogether.

Another benefit is how the online connection improves the operator's relationship with Retailers. Beginning with the process of working hard to understand the Retailers' wants and concerns, following that with the formulation of strategies to address those concerns and leverage iLottery to help drive store traffic and sales, and getting close to the Retailers to earn their trust and confidence, and in the end delivering on the promises that iLottery would help and not hurt their sales ... the entire process completely transforms the relationship with Retailers. All of this probably takes more time and resources than the original budget allows for, but it is

Moderator: Tom Delacenserie, President and Chief Executive Officer, Kentucky Lottery Corp.

Kevin Gass, Vice President Lottery Gaming, BCLC

Rhydian Fisher, President and Chief Executive, Instant Win Gaming (IWG)

Amy Hill, Vice President of Digital Content Studio, Scientific Games

J.B. Landroche, Senior V.P. of Corporate Affairs, Georgia Lottery Corp.

Doug Pollard, Co-Chief Executive Officer, Pollard Banknote

Drew Svitko, Executive Director, Pennsylvania Lottery

so worth it on many different levels. It not only smooths the path for implementation of iLottery. It becomes the catalyst for a 180-degree change in the Retailers' feelings about iLottery, turning an arms-length supplier relationship into a mutually supportive and collaborative partnership.

Like everyone, Retailers have a fear of the unknown. Alleviate and defuse that fear and the walls come down and everyone comes to appreciate how the goals are the same and the opportunities for synergies that produce mutually beneficial results explode.

DATA-DRIVEN GAME DEVELOPMENT AND PROMOTION

The interactive relationship is all about enhancing the player experience. Data-driven marketing enables the operator to move from mass-market segmentation to an increasingly personalized relationship with the player. Machine learning and algorithmic computation helps recommend the right products to the right player at the right time. But these high-level data-analytics depend on the interactive relationship that is based on registration and active online engagement. It does not readily apply at land-based retail.



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We hope to see you there!

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For latest conference updates,
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Player segmentation is not new. But the online interactive connection completely transforms the whole meaning of player segmentation. Moving from age, gender, location, and a handful of other characteristics to what will ultimately be a segment of one – wholly personal and individualized interaction. The insights gleaned are simply not available in the anonymous land-based retail relationship. For example, it was already well-known that big jackpots drive new player acquisition. The interactive channel has revealed the age of those players that you acquire. The data show that about 30% of iLottery players are in that 18 to 35-year-old age category. When there is a jackpot run, that number jumps up to 40%. That would appear to indicate that the online channel is especially critical for acquiring new players in the younger demographic. That delta between the regular ongoing play and the play during the big jackpot run would also appear to indicate that once the younger player engages online, they tend to divide at least a portion of their play between online and retail. Those hypotheses need further testing to prove out, but at least the data is now available to take the journey of knowing the customer up to the next level. It's this kind of data and segmentation that allows the operator to then start reshaping promotional campaigns ahead of time to speak more directly to the play-styles and preferences of a more tightly defined audience. That is just an example of how the interactive relationship with the player will transform the entire apparatus of marketing and communications.

MULTI-CHANNEL ENGAGEMENT IS THE REAL OBJECTIVE

Launching iLottery fifteen years ago makes BCLC the most mature iLottery in the western hemisphere. It started out with the demographic profile skewing younger but over time the difference between iLottery player and the retail player diminished. The big difference is this: Multichannel players are five times more valuable than single channel players as measured by spend and frequency of play. The value of iLottery is not fully leveraged unless the player engages at retail as well as online.

Retail is alive and growing. Store openings in 2019 are up 56% and store closings are down 66%, and for every chain that closes a store another chain is opening up five. This is good news for Lottery since the vast majority of sales (even in BCLC the percentage is over 90%) continue to be at land-based retail. The key is to integrate

the different channels of distribution. The old system of evaluating performance in siloed profit centers does not recognize the value of driving engagement on multiple channels. An effective online program of cross-promotions will actually drive sales increases at retail, even when it is the same game that is being offered online. One of the most visited website pages is the retailer-locator, indicating that the online player is really an omni-channel player who interacts with Lottery on all channels and media.

The cost and time required for developing and launching iLottery games is much less than for analog games. The iLottery player expects a higher velocity of new games and promotions but it is more cost effective to deliver that than it is to create new games for the retail channel. This cost model enables the online channel to be used as a testing ground for products that can then be rolled out into the land-based channel. The online channel began by replicating products, promotions, and player experience that were proven to be effective in the off-line world. Now it works both ways, with both channels revealing insights into what drives player behaviour and how the games, messaging, promotions, and overall experience can be further enhanced.

The omni-channel player does not think in terms of different channels. They just think of it as an overall lottery playing experience. Integrating the online and retail experience is the key. We need to deliver that holistic overall experience of seamlessly traversing across multiple channels and game categories.

FACTOIDS THAT POINT AT THE ONGOING IMPORTANCE OF LAND-BASED RETAIL

For over 90% of lotteries world-wide, over 90% of the profits will continue to be generated through retail. That may shift as iLottery matures, but the vast majority of sales and lottery profits will continue to come through retail. Further evidence of that is broad-based market trends: 85% of Americans shop in a non-grocery physical retail stores during a typical week. On average they visit three different stores and, perhaps surprisingly, that average goes up to four different stores per week among millennial shoppers and 5.25 stores among Gen Z shoppers. These trends indicate that younger people are going to retail stores even more than their elders.

HOW DO WE DRIVE INTEGRATION BETWEEN ILOTTERY AND RETAIL?

Players and Loyalty clubs are the online

tools that drive messaging, promotions, and engagement. Second-chance drawings are the simple but effective way to motivate the retail player to register online to see if they won the second-chance draw. Likewise, the players club includes e-coupon offers which motivate the online player to redeem the value of the coupon at the retail store. The end result is not only a more engaged player who is interacting with Lottery on multiple channels, it is a happier player who appreciates the ease and convenience of being able to play how, when, and where they choose.

The redemption rate for the online coupons can be quite high – between 20% and 25%. This is key to the whole retailer engagement-strategy. They need to see that Lottery's online connection is driving players back into their stores. Lotteries are now taking e-couponing to the next level – applying data analytics to discern player and shopper motivations and fine-tune the player profile and specific store and product promotions to deliver more value at a lower cost.

Additionally, there should be a program to compensate retailers for hosting sign-up forms for their in-store shoppers to register online.

IS THE CREATIVE GAME DEVELOPMENT IN ILOTTERY SPACE DRIVING CHANGES IN THE WAY NEW GAMES ARE DEVELOPED FOR TRADITIONAL RETAIL?

The iLottery games can engage the players in a wider range and depth of emotional experience than retail games. This provides more room to entertain the players. The “second-chance” component, for instance, is integrated right into the game in a more convenient and player-friendly way. A goal in the traditional lottery world has been to deliver more entertainment value, more of a game-playing experience. We are learning a lot about player behavior and how to accomplish that elusive goal through the data being captured in the online gaming world. It is important to treat the games as a family of products with the goal of optimizing performance of the overall portfolio. The online world is revealing fresh new portfolio management strategies and methods that drive synergies and better overall results.

And in the end, the similarities between the games being played online and off-line far outnumber the differences. ■

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IT'S THE
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TIME OF THE YEAR

Holiday Game Planning Season is Here

While most of the world has put away the boxes of holiday decorations and swept up the last remnants of the season, lottery product managers are putting their Santa hats back on to plan games for the 2020 holidays.

It's big business in the \$89 billion (USD) global instant games industry. For most lotteries, holiday instant "scratch" games represent an average of 5% up to as much as 14% of annual sales – translating to an estimated \$1.5 billion in profits for beneficiaries globally. So it's important to create just the right portfolio of games that stands out at retail, appealing to core players, as well as occasional and infrequent players who scratch to celebrate the season of eternal hope. And don't forget holiday gift-givers.

At Scientific Games' global lottery headquarters in metro-Atlanta, creative teams are hard at work making sure customers have the best holiday products for their instant game portfolios with the most entertaining playstyles, and shimmering, glimmering specialty finishes. Engineers, chemists and manufacturing specialists are

testing new printing options. Ultimately, product marketing experts select the best of the best games for a spectacular annual holiday games catalog.

Suffice to say they have a well-trained eye. The company's games represented more than 76% of holiday game retail sales in 2019. In a typical year, Scientific Games' metro Atlanta instant game manufacturing facility produces more than 100 different holiday games for U.S. lotteries – about 36 million feet of product on giant rolls of paper stock sourced from sustainable forests and printed with water-based inks. The company's facilities in Montreal, Santiago, Beijing and Leeds, UK supply international lotteries.

Jason Prentice, VP Game Creation for Scientific Games, who has worked on instant products for most every domestic lottery

over the last 17 years, says the holidays are the most important time of year for lotteries. But millions of consumer products are competing for attention.

“The holiday season provides lotteries a great opportunity to maximize the impact of their instant game lineup by featuring games that stand apart in the retail display,” says Prentice. “Scientific Games’ instant game graphic designers and account teams work with our lottery customers to provide a wide range of innovative and impactful holiday games that center around full category management.”

Holiday games typically have a shorter life cycle than most instant games, so selecting strong performers is essential. While the Scientific Games creative teams are at work, so are the company's Analytics & Insights professionals. Tools like the patented MAP™ (Market Analysis Planning) platform, which houses 55,000 instant games and more than 2.9 million data points of weekly sales data, remove any guesswork.

Analysts study performance trends from game launch through entire lifecycle and prepare customized marketing plans for each customer's strategic account management. Lottery product managers can also access MAP games and data through the Game Gallery™ customer portal.

"Many of our games are as beautiful as a holiday postcard, but it's not just about appearance. Every price point, every playstyle, color and specialty finish in a holiday game portfolio is precisely planned using our analytics so it's just

the right balance of games," explains Jennifer Welshons, SVP Marketing for Scientific Games, who has led instant product marketing plans for several decades.

Prize structure is also a crucial component for holiday games.

"More than ever, during the holidays lotteries really want their games to deliver a winning experience," she says. "This brings the player back to the retailer to engage further and creates loyalty with the lottery's brand."

Jason and his team took a good look at some of the more memorable games and top performers from the 2019 holiday season to help inspire 2020 games. It wasn't easy to pick just a few favorites, but here they are.

MASSACHUSETTS LOTTERY

Merry Money Blowout Holographic Blowout Game

Shimmering with an explosion of green U.S. bills on a holographic paper stock and loaded with \$50, \$100 and \$500 prizes exclusively, *Merry Money Blowout* made a lot of players in Massachusetts merry this season. The \$10 game was one of the top two 2019 holiday games of all Scientific Games holiday instants, performing 78% higher than other games. Just like the season prior, players loved the opportunity to win meaningful extra cash prizes to make the holidays even more special. In 15 weeks, *Merry Money Blowout* sold through over 93% of inventory and generated over \$140 million in retail sales. The game also featured a fun "To and From" area at the top for holiday gift giving.



MISSOURI LOTTERY

Holiday Cash Bonus • Scratch My Back™

The Missouri Lottery gave its \$20 *Holiday Cash Bonus* players a little something extra with its first holiday *Scratch My Back* game. The bright red and green game had three more bonus games on the back - not that the top prize of \$300,000 and a bonus play opportunity on the front of the ticket weren't reason enough to celebrate the season. Knowing the game would be successful, the Lottery ordered 57% more product than their \$20 holiday game sold the year prior. The game is considered a sellout with more than 96% sold (at press time), which means over \$5 million in additional sales from just one holiday game. *Scratch My Back* games traditionally outperform other games at the same price point by an average of 17%, and the Missouri Lottery's *Holiday Cash Bonus* was no exception. *Holiday Cash Bonus* was the best-selling \$20 holiday Scratchers game the Missouri Lottery has ever offered.

NORTH CAROLINA EDUCATION LOTTERY

White Elephant • HD Games™ with 2nd Chance Play

The Ohio Lottery's \$1 *Holiday Cash* game indexed at 207 - making it Scientific Games No. 1 performing holiday game of the 2019 season. With a top prize of \$500 and a 75% payout, the game was simple to play and perfect for gift giving. It popped at retail with green fluorescent ink and the company's specialty *Ice Ink* coating. Another \$1 hit this season, the North Carolina Education Lottery's quirky *White Elephant* game gave a shout out to silly holiday gift exchanges. The fun included not only a top prize of \$5,000, but the opportunity to enter *White Elephant* tickets into second-chance promotion drawings with a top prize of \$50,000. *White Elephant* is from Scientific Games line of *HD Games*, the next generation of instant games featuring high-definition play symbols.

OHIO LOTTERY

Holiday Cash • Ice Ink™



KENTUCKY LOTTERY

Holiday Cheer • Family of Games

The Kentucky Lottery's *Holiday Cheer* family was back in 2019, this time celebrating an 18% increase in sales year-over-year. At the \$1, \$2, \$5 and \$10 price points, what was not to love about these festive match games produced using dual color imaging with spot ultra-violet gloss. The holiday classics also feature a "To and From" area for gift giving.



HOLIDAY FUN ▶ FACTS

10 OF 10

Highest grossing 2019 holiday games provided by Scientific Games (based on weekly per capita gross gaming revenue).

9 OF 10

Highest performing 2019 holiday games provided by Scientific Games (based on weekly per capita sales).

76%

2019 holiday game retail sales in U.S. generated by Scientific Games products.

33%

Higher performance by Scientific Games 2019 holiday games than games from other providers.



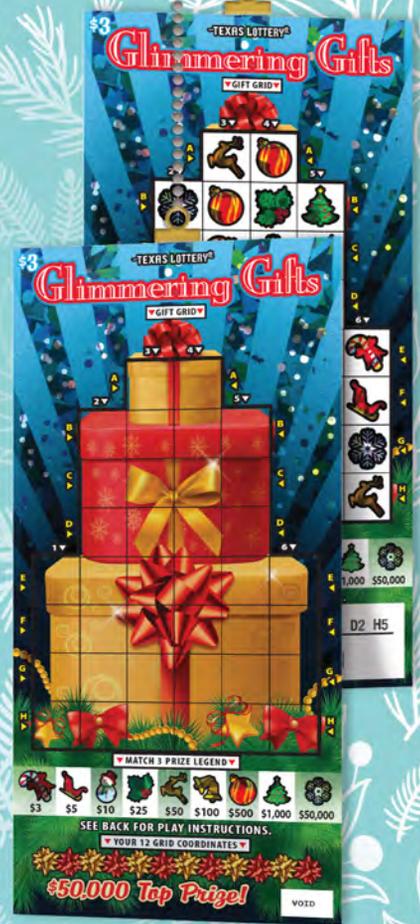
Visit
Game Gallery
to View More

<https://nexus.scientificgames.com/gamegallery/>

TEXAS LOTTERY

Glimmering Gifts Linked Play Holographic

Featuring an innovative use of holographics to enhance a lower price point product, \$3 *Glimmering Gifts* was produced on specialty holographic paper stock and featured the industry's only play style that reveals holographic symbols when scratched. With unique *Linked Play* action popular with players, a tower of wrapped presents was perfectly set into a gift grid with a \$50,000 top prize. The game was more than 80% sold just 10 weeks after launching.



WASHINGTON'S LOTTERY

Peppermint Payout • Peppermint Scented Gigantix® game

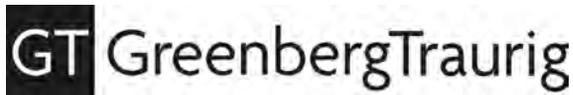
With over \$3.8 million in cash prizes to make the holidays that much sweeter, *Peppermint Payout* marks the sixth *Gigantix* game for Washington's Lottery – and more are planned. The over-sized, extended play \$10 game was peppermint scented and featured an evergreen tree with rows of red and white peppermints set against a turquoise background twinkling with snowflakes. Players loved all the added value packed into this holiday game.

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Mark Hichar
Shareholder with Greenberg Traurig,
LLP, resident in its Boston office.



STATES SHOULD CONSIDER REVISING LAWS RELATING TO THE COMMUNICATION OF GAMING INFORMATION

States continue to expand gaming into the online and mobile (collectively, “interactive”) channels. At last count, iLottery (online sales of non-sports wagering lottery products via interactive channels, including subscriptions) has been authorized in 11 states. With this expansion, it is logical that lotteries and their vendors will seek to provide processing for iLottery products (as well as for traditional online lottery products) more efficiently and more securely – for example from consolidated data centers and/or from servers operated and maintained by third-party cloud services providers. Locating online lottery and iLottery functions in such consolidated locations makes sense from an efficiency and cost-savings standpoint, and also from a security standpoint, as third-party cloud services providers make it their business to provide safe and secure services, choosing locations for their servers where there is reduced risk of man-made and environmental disturbances.¹

However, as is often the case with respect to gaming, the legal and regulatory environment has not adapted to accommodate changes in technology and in the industry – even though changes would benefit the states and state lotteries. Specifically, in some states, state laws intended to prevent the operation of gambling that is not state-authorized, may prevent the operation of consolidated data centers and/or servers processing iLottery transactions for out-of-state lotteries.

By way of example, Washington State has a widely applicable law that prohibits the transmission of gambling information. The law provides:

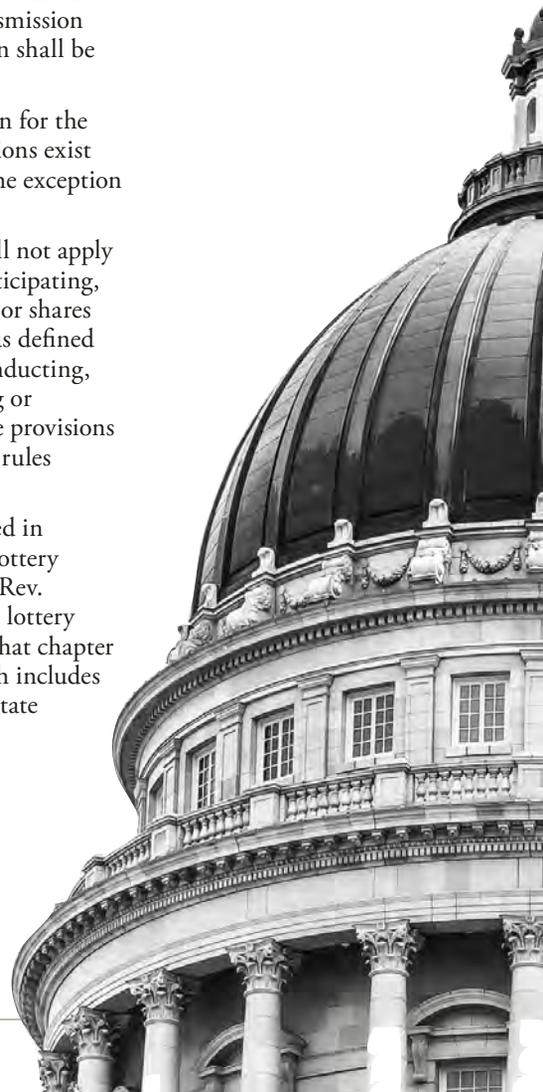
Whoever knowingly transmits or receives gambling information by telephone, telegraph, radio, semaphore, the internet, a telecommunications transmission system, or similar means, or knowingly installs or maintains equipment for the transmission or receipt of gambling information shall be guilty of a class C felony ...²

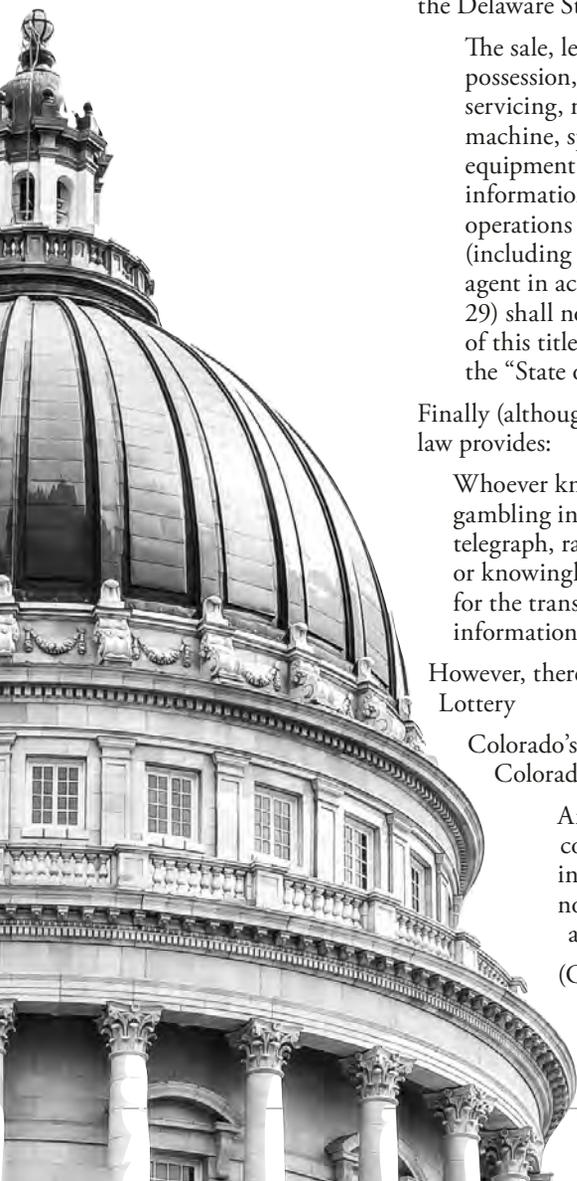
However, the law provides an exception for the Washington State Lottery (and exceptions exist for other state-authorized gaming). The exception states:

The provisions of this chapter shall not apply to the conducting, operating, participating, or selling or purchasing of tickets or shares in the “lottery” or “state lottery” as defined in RCW 67.70.010 when such conducting, operating, participating, or selling or purchasing is in conformity to the provisions of chapter 67.70 RCW and to the rules adopted thereunder.³

“Lottery” and “state lottery” are defined in Rev. Code Wash. § 67.70.010 as the “lottery established and operated pursuant to [Rev. Code Wash. chapter. 67.70],”⁴ and the lottery established and operated pursuant to that chapter is the Washington State Lottery (which includes an express authorization for the multistate lotteries known as Mega Millions and Powerball).⁵

Thus, the prohibition on the transmission and receipt of gambling information does not apply to the Washington State lottery.⁶ However, a lottery not conducted pursuant to Washington state law arguably is not covered by the exception, and thus the





law prohibiting the transmission and reception of gambling information may apply. Accordingly, in Washington, the transmission or receipt (via telephone, the internet or a telecommunications system) of gambling information related to an out-of-state lottery, or the knowing installation or maintenance of equipment for this purpose, may violate Washington state law.

Other states have similar laws. Delaware law makes the following a criminal misdemeanor:

A person is guilty of unlawfully disseminating gambling information when:

...

- (2) The person knowingly uses a private wire *in disseminating or receiving information in furtherance of gambling or for gambling purposes*; or
- (3) *The person engages in the business of or receives compensation in any form for disseminating or receiving information in furtherance of gambling or for gambling purposes by means of a private wire or a call service.*

However, Delaware law makes an exception for the Delaware State Lottery. The law provides:

The sale, lease, transport, ownership, possession, exhibition, manufacture, servicing, marketing or use of a video lottery machine, sports lottery machine, table game equipment or any equipment, supplies, information or data in connection with the operations of a lottery under State control (including the operations of a video lottery agent in accordance with Chapter 48 of Title 29) shall not be a violation of §§ 1401-1412 of this title.⁸ (In this context, “State” means the “State of Delaware.”⁹)

Finally (although other examples exist), Colorado law provides:

Whoever knowingly transmits or receives gambling information by telephone, telegraph, radio, semaphore, or other means or knowingly installs or maintains equipment for the transmission or receipt of gambling information commits a class 3 misdemeanor.¹⁰

However, there is an exception for the Colorado Lottery

Colorado’s lottery law, which authorizes the Colorado State Lottery, provides:

Any other state or local law in conflict with this article 40 is inapplicable, but this section does not supersede or affect part 6 of article 21 of title 24.¹¹

(Colorado part 6 of article 21 of title 24 pertains to bingo and raffles which are permitted in Colorado under license.)

“The legal and regulatory environment has not adapted to accommodate changes in technology and in the industry – even though changes would benefit the states and state lotteries”.

Other states have similar laws, although they vary in degrees of scope and applicability.

The point, however, is that state laws may not accommodate servers that facilitate traditional “online” lottery sales (i.e., physical lottery tickets sold via physical retailer locations) or iLottery for out-of-state lotteries. By not changing these laws to allow in-state servers to support out-of-state state-run lotteries, states may be foregoing the efficiencies that are created when data centers are consolidated, and the security that can be provided by utilizing third-party cloud services providers. Accordingly, states should reconsider their existing anti-gambling laws, and modify them, if necessary, to allow their in-state data center to support out-of-state state-run lotteries, thereby allowing those out-of-state lotteries to take advantage of more efficient and more secure data processing technologies. ■

¹Websites from third-party service providers describe the factors that they consider when deciding on locations for their data centers. These include environmental risk, such as seismic activity, flooding and extreme weather. Some submit to third-party audits to confirm security and compliance.

²Rev. Code Wash. § 9.46.240 (emphasis added).

³Rev. Code Wash. § 9.46.291.

⁴Rev. Code Wash. § 67.70.010.

⁵Rev. Code Wash. § 67.70.044.

⁶25 U.S.C. § 2701, et seq.

⁷11 Del. Code § 1411 (emphasis added).

⁸11 Del. Code § 1413 (emphasis added).

⁹1 Del. Code § 302.

¹⁰C.R.S. 18-10-106(1).

¹¹C.R.S. 44-40-119

LET'S BRIDGE THE GAP: EXTRACTION IN RETAIL



Edwin van Zon, Sales Director, Europe, Abacus Lottery Everywhere



Lotteries have always been decisive in the way games of chance are offered. Retailers receive a dedicated lottery terminal (a closed loop system) to sell tickets. These terminals have their own processes and rules built in. However, this style of sales channel is old and has not moved with the times. Sales integration into the overall ecosystem of the retailer is needed in order to give substance to the omnichannel approach. Abacus solutions make this possible for lotteries.

full integration with self-service tills. This continuous realization of increasing the contact and sales opportunities with consumers means that every visitor to the store is always offered an opportunity to buy a game of chance. 100% exposure across the entire store.

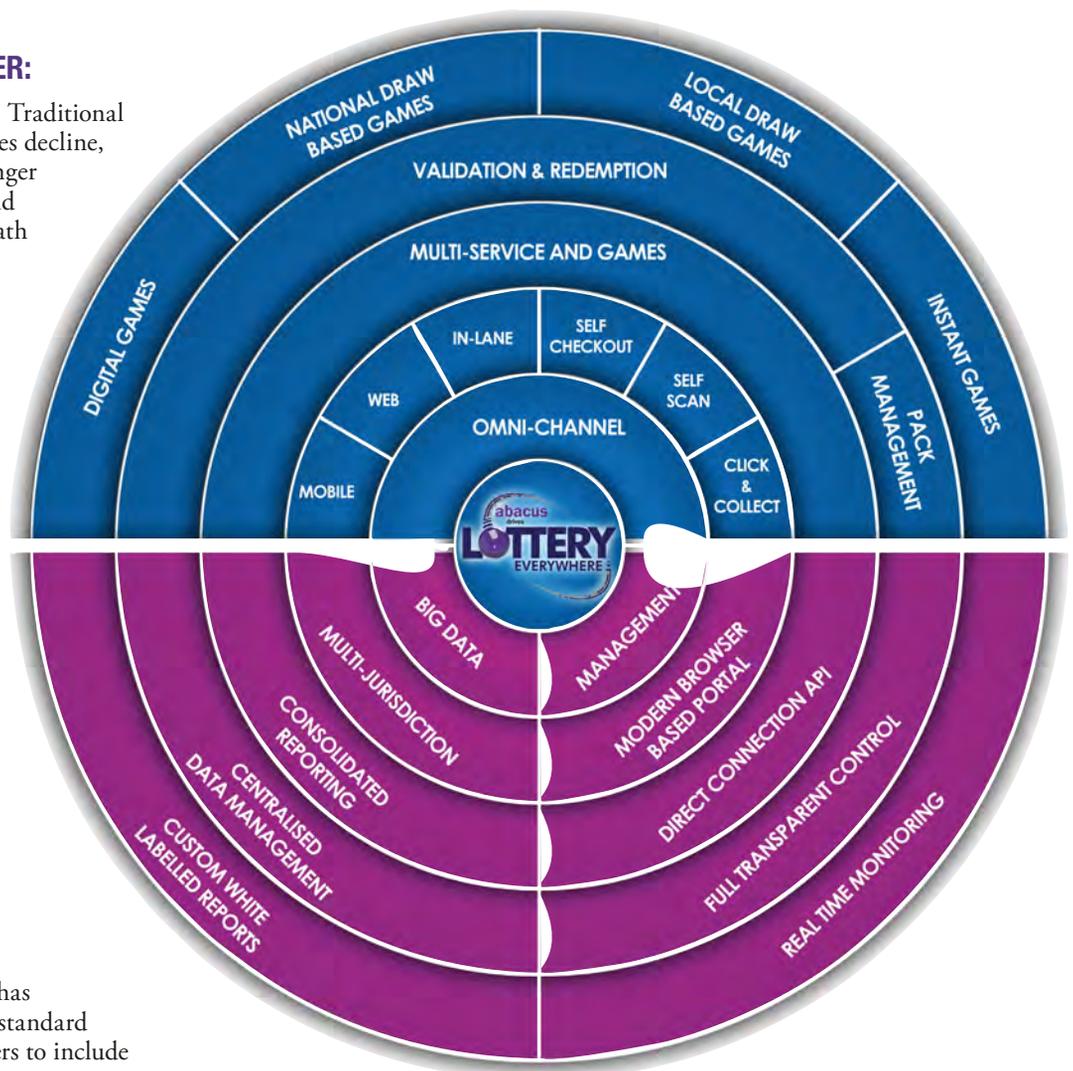
Consumers want convenience and speed. Participation via a mobile phone app provides a more interactive customer experience and also eliminates the complexity of the bet slip. Generating the purchase barcode on a mobile and having it scanned at a point of sale not only makes it easier for the consumer, it also fits in with the standard way of handling products in retail, with all the benefits of an interactive experience, cost reduction and potential insight into consumer data.

FOLLOW THE CONSUMER:

The consumer is less loyal. Traditional lottery outlets are seeing sales decline, especially amongst the younger target group which more and more is following its own path in determining where, how and when shopping takes place. In particular, the experience must be faster and easier. Retailers are reacting to this new trend by transforming themselves to meet their consumers demands.

We see a growth in convenience stores with more emphasis on faster and more engaging experiences. In supermarkets, on the other hand, a move towards self-service and independence is trending. It seems only a matter of time before the number of consumers preferring to use an unmanned cash register surpasses the manned cash registers.

Abacus in the Netherlands has expanded its integration in standard manned in-lane cash registers to include



Consumer data is already collected by retail through loyalty schemes. Retailers can targeted specific offers based on their marketing intelligence, driving consumers back to their stores. In order to remain new and interesting for the consumer retailers offer the same experience across an omnichannel approach, where a well-connected ecosystem is of utmost importance.

This style of selling not only offers lotteries lots of challenges but also many opportunities. It is vital lottery providers embrace this change in the retail environment, especially if they are able to become part of this new retail ecosystem and thus benefit from fulfilling consumer needs in the future.

FOLLOW THE RETAIL:

The retail environment has moved towards a strong digitally platform in recent years. An omnichannel approach requires multiple systems that are connected and provide a single customer experience. Whether the purchase and handling of all sales happens via the cash register, the mobile app, the self-service or via the e-commerce channel, the consumer is always put first in the experience.

Quality of EPOS (Electronic Point of Sale): The deployment of digital products in the retail environment has grown enormously (gift cards, vouchers, etc.), and EPOS systems are built and enabled to handle financial transactions in a safe and controlled manner. In other words, a cash register can now be made just as secure as a lottery terminal! Abacus' solution uses this important knowledge to control lottery sales, increasing exposure in existing stores and enabling sales points in new locations.

Participation in lottery games must become simpler and offered as a standard "commodity". By making the lottery ticket just another item in the basket it standardises procedures for cashiers in the sales process improving ticket handling and providing better margins on products and services sold.

For example Abacus makes it possible, through a collaboration with Pollard, to offer an instant game which is sold as a regular gift card. The instant ticket is only activated (and therefore has value) after purchase, providing true single ticket activation. The game also crosses the boundary into the digital arena allowing game play on a mobile device. The advantage to the retailer is that this process is simple, as their staff already

know how to process and sell gift cards. The integration is direct to their existing cash register, requiring no additional costly hardware, and there is no shrinkage due to theft as the instant tickets have no value until they are purchased.

FOLLOW THE LOTTERY:

There is pressure on lotteries selling through traditional terminal based channels. To be able to engage with new and existing customers with current and new games/services the lottery must have presence in more locations and reach out through modern sales touch points and channels.

Flexibility is the key. The retail environment is rapidly changing and becoming more complex, therefore lead time of new developments and deployment must be kept short to enable the roll out of new solutions in a constantly changing marketplace.

The Abacus solution makes it possible for lotteries to integrate quickly with these new channels. If the concept of an open structure for online gaming already makes common sense, then Abacus is following the same route for the retail channel. The Abacus platform makes it possible for lotteries to realize a wide and innovative range of new points of sale, all at considerably lower costs. The sales margin is therefore increased and points of sale can be profitable even with a lower turnover.

Abacus bring the following important benefits:

- Tracking the consumer within the retail ecosystem
- Reducing costs
- Increasing the number of points of sale
- Flexibility in the provision of new games
- Short time to market
- Connecting to retail in a way that supports a mutual and stronger approach in reaching out to new and existing consumers

BRIDGING THE GAP:

The Abacus platform offers a full range of services for processing of all types of lottery games. Our objective is to make the retailer impact as small as possible. For this reason, we are fully integrated into the Toshiba TCx Elevate platform and



are currently working on many similar initiatives for other retailers.

The Abacus gateway connects consumers, retailers, vendors and lotteries, bridging the gaps between the different parties for frictionless ticket sales and gameplay, enabling lottery to be played everywhere.

Abacus believes the future of lottery lies in integrating with existing retailer infrastructures and enhancing the consumer experience. We enable this by providing a highly secure transaction gateway that allows all parties to work together to create mutual growth. Abacus has a strong focus on speed to market, simplicity of implementation, and reducing its customers' overheads, delivering a seamless integrated solution to drive increased sales. 🇩🇪

PhotonX THE AWARD-WINNING TERMINAL

“IGA 2020 LOTTERY PRODUCT OF THE YEAR”

intralot

INTRALOT proudly lifted the curtain on its new lightning-fast performing terminal **PhotonX at this year's ICE exhibition in London..** PhotonX has already got significant market traction proof of which is the **“Lottery Product of the Year”** award

it received at IGA 2020 in London, a prestigious international competition that recognizes the most innovative companies and products of the gaming world based on the views of leading gaming operators and industry professionals.

The development of our PhotonX terminal, has been based on our flagship Photon terminal design, value-engineered to deliver even more powerful performance, more cost efficiencies and a multitude of retailer centric features. transforming it to become the heart of the modern lottery POS .

After 26 years of continuous R&D efforts, numerous innovation awards and more than 300,000 lottery terminals deployed worldwide, INTRALOT is widely considered as a trendsetter and innovator in the gaming terminal category. INTRALOT was the first vendor to patent and introduce the camera-based technology to read Lottery playslips, replacing the legacy and fault-prone scanner technology.

Today, we have more than 55k camera-based terminals in the field, the majority of which are our proven PHOTON terminal deployed in 12 countries and 20 jurisdictions around the world.

TERMINAL FEATURES

PhotonX carries all the features and capabilities inherited from the field-proven PHOTON camera-based terminal, in terms of operational efficiencies, increased uptime and sales productivity while leverages the latest technologies to deliver:

- the industry's top performance by incorporating a selectable range of the most powerful Intel multi-core processing units with expandable memory capability
- the outmost retailer convenience with a wide HD/Full HD bezelless touchscreen 15" or larger

- wireless capability to securely connect peripherals and implement BYOD and proximity marketing initiatives
- large storage capacity with a range of SSD options
- retailer convenience with a range of add-on peripherals (i-Button, barcode gun, fingerprint scanner, card readers, etc.) that can be added on the fly
- in-shop marketing capabilities by supporting playslips/forms of any shape and color, transforming the player experience with special draws and other campaigns
- more field service efficiencies with a modular design that dramatically reduces field service time
- maximum comfort and safety to the retailer with its unique “C-shaped” form, re-designed with curved surfaces, rounded edges and corners

MULTIMEDIA CAPABILITY

Based on our broad operational experience with content-rich games like keno and sports betting and being pioneers in multimedia content delivery in the lottery industry, we have

“This important distinction is a special honor for us since it verifies and rewards INTRALOT's commitment to deliver innovative products and solutions that shape the future of gaming. We would like to take this opportunity to thank our Customers and Partners as well as our Engineering and Products teams who made this achievement possible. We look forward to providing even more innovative and exciting options to better serve our valued clientele while offering a dynamic players' experience”.

- Mr. Fotis Konstantellos, Group Chief Lotteries Officer of INTRALOT

equipped our PhotonX terminal with unparalleled multimedia capability. The new PhotonX carries a powerful multimedia processor which can drive up to 4 screens in total, including a multimedia FHD and even a 4K display, minimizing the need to deploy costly multimedia controllers to deliver rich content in the POS.

Following INTRALOT's 3600 customer-centric approach, PhotonX offers a range of benefits to the Lottery Operator, the Retailer and the Player of the retail touchpoint. 



understand that it is more difficult to forecast the actual amount of net funds generated by sports betting than it is for traditional lottery. On the other hand, as the number of events increases, the results will gravitate more and more to the forecast, making long-term profitability of sports-betting a predictably profitable operation.

G. Aubin: A question for the panel: Will sports betting legislation be a bridge towards legislation that allows iLottery and cashless options for lottery players?

B. Bresnahan: It already has in DC. The bill that enables sports betting also authorized and clarified that iLottery is legal as well. We'll be launching an iLottery program late 2020 or early 2021. As awareness and understanding increase, I hope we see other states choose to regulate these consumer activities instead of trying to prohibit them. Better for society, better for the players, and better for our industry.

G. Aubin: I think so too. My legislators and political constituents in Rhode Island have always understood the need to channel player activity onto regulated, legal and authorized channels, which also channels economic benefit back to society. Once sports betting was allowed at the federal level, our legislature chose to legalize and regulate it. Now that iGaming and iLottery are being approved in many jurisdictions, our legislature is likely to approve a regulatory model for that as well.

Nick Papadoglou: Fantasy Sports was a preliminary step that appears to be shortening the time-line to get enabling legislation for sports betting passed. Hopefully, legislatures that are assessing sports betting will also consider modernizing regulations to allow cashless options and iLottery for their own state lottery, like they did in the District of Columbia.

R. Hargrove: I think that the cultural normalizing of sports betting and online gaming will cause legislators to look more favorably on the efforts to modernize the Lottery. So maybe that will smooth a path for modernizing Lottery to allow cashless options and iLottery. I just think it might take longer than we'd like – at least in some conservative states like Tennessee. It took

20 years to get the Lottery bill passed, and days to get the sports betting bill passed. Maybe this marks a turning point that will be favorable to lottery gaming too.

G. Aubin: In Rhode Island, there was opposition many years ago to the expansion of VLT's and table games. But there has been no opposition to sports betting. I think the ready acceptance of sports betting reflects a recognition that people were already betting on sports and now we are just providing a legal option. And we have had casinos for so long now that there is a cultural acceptance of gambling that makes the introduction of sports betting an easy lift for our legislature.

The demographic profile of sports betting players skews very heavily male and between the ages of 30 and 50. Very few females are going to our casinos and placing wagers. We expect that to be different for jurisdictions that allow mobile betting. Is it your experience that sports betting is bringing new players and new money into the games-of-chance space, or is it cannibalizing other categories like Lottery?

B. Pack: I think sports betting complements the broad portfolio of lottery gaming in a mutually supportive way. When we survey non-players, they tell us that they don't play lottery right now because they want a game with some element of skill to it, they want a game that has a social component to it, and they want a sports-themed game. Sports betting is all of those all wrapped up in a nutshell. I think the vast majority of players who are coming to sports betting are very infrequent lottery players or do not play traditional lottery games right now at all. Our demographics, Gerry, are very similar to what you said – overwhelmingly male, and with an average age of 40 which is about seven or eight years younger than the average age of our traditional lottery players.

B. Bresnahan: I'm just going to echo what you said, Barry. We don't believe that we'll see lottery spend migrating over to sports betting or game cannibalization. Instead of cannibalization, we believe that sports betting will attract new players who will then be exposed to the DC Lottery's digital offerings. We feel we are less likely to see the current lottery player who plays paper-based

products at retail stores going over to sports betting than we are to see new sports betting players buying a lottery ticket when they come across our online products.

G. Aubin: Well, I think that means we are all in agreement that players prefer a legal sports betting option and that sports betting will not cannibalize lottery. Realistically, we recognize that players still be on illegal websites.

R. Hargrove: The modern era of U.S. lotteries began in the late 60s. One of the catalysts for the explosive growth of lotteries throughout the following decades was to combat illegal numbers games. Government lotteries were at a distinct disadvantage from a value proposition point-of-view. The payout percentage was higher in the illegal numbers games and you didn't have a mechanism for making sure the players paid taxes when they won a large amount. Likewise, today with sports betting ... our prize payout may not be as high as the illegals but sports betting players will still prefer a legal option. Not necessarily all of the players, but most of them or at least enough of them to cause public-policy makers to want to regulate instead of prohibit the activity.

In my 35 years as a lottery director or CEO, I have found that this is an industry that helps each other. Beth and I were just talking about how great it is to be able to share insights and information since we do not compete with each other. Even though I knew this to be true, I was still surprised at how exceptional every one of my colleagues who have gone through this process truly are. I reached out for help from everybody, from Gerry to Beth to Charlie to people in New Jersey, Delaware, and West Virginia and Nick. The crash course in sports betting best practices I received was and continues to be so amazing and appreciated.

G. Aubin: I will echo what Rebecca said. There weren't any states other than Delaware doing sports betting when we came into the market. The New Jersey Gaming Board Commission was also helpful. And for all the challenges and issues surrounding sports betting, I think we all agree that sports betting is a productive part of our portfolio of games and contributes to the funding the Lottery generates for good causes. ■

FLEXIBLE GAME DESIGN DRAWS PLAYERS

Now launching in a fourth lottery, the new draw game Cash Pop™ lets players **strategize their wager** and **create their own experience** every time they play.



Between September and December 2019, the **New Jersey Lottery**, the **Georgia Lottery Corporation**, and the **National Lottery Control Board – Trinidad and Tobago** launched **Cash Pop™**, a new draw game from IGT designed to be easy to play and offer flexibility to operators and players.

As the **Kentucky Lottery** prepares to launch Cash Pop in the spring of 2020, **Francesco Parola**, IGT Vice President Global Lottery Game Development, discusses the initial launches and the player input that shaped the game design.

PGRI: Cash Pop’s unique features open up a new segment of draw-based games, and IGT has a patent pending on the mechanism for distributing prize values. How did your team arrive at the game design?

Francesco Parola: The development process used by IGT’s FutureGame Team starts with a diagnostic phase, where we map and analyze our customers’ game portfolios to identify any gaps. Through this process, we understood that the classic draw-based game portfolio lacked a very simple, fast-draw game based on just one number.

This type of game would be easy for players to understand, to play, and to check the results, and easy for a retailer to explain. Of course, it was important to find the unique mechanics and distribution of odds that would deliver a compelling top prize and overall level of winnability for players, and at the same time return a good level of profitability to lotteries for the causes they support.

We originally designed the game based around the number one: one number drawn, one unit of currency (one Dollar, Euro, Pound, etc.), one draw per day. And we created the first pay table delivering a prize of \$250 based on a field of 15 numbers.

However, that was only the starting point. When we tested the original idea along with several others, the reaction of our consumer panel from across the U.S. was loud and clear: The concept emerged as one of the top choices, but respondents said, “We would like to have more options for the game.”

IGT is always listening to the market and working to translate player needs into actionable innova-

tion, because we know that creating engaging player experiences is what drives results and value for our customers. With the respondents’ input, we continued to evolve and test the game further.

PGRI: What changes did you make?

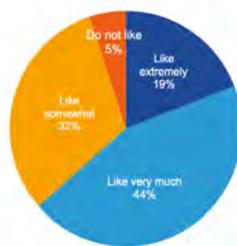
Francesco Parola: We expanded the original concept to allow players to play more than one number, to increase the odds of winning. We designed additional pay tables at two, five, and 10 dollars, which players can access if they want the chance to win more than \$250. We also designed a multiple-board play slip that lets players take advantage of all of the game’s possibilities.

Using all these dimensions, players can design the game that they like – this was the key element. And, in all three jurisdictions

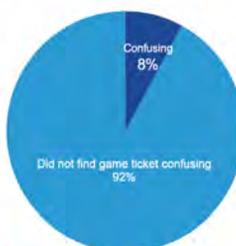


The New Jersey Lottery’s “How to Play” video for Cash Pop captures the fun, easy-to-play spirit of the game.

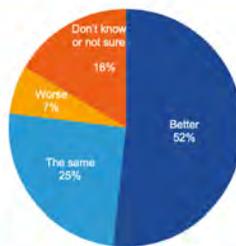
3,525 Respondents from 6 U.S. Lotteries Rated the Cash Pop™ Concept



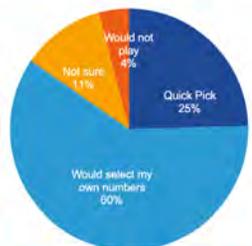
DO YOU LIKE THE TICKET DESIGN?



ANYTHING CONFUSING ABOUT THE TICKET?



BETTER OR WORSE?
(than other current games on sale or they play)



QUICK PICK VS. SELECT OWN NUMBERS

Insights from Player Research

IGT tested Cash Pop for the first time in 2017 as part of the company’s FutureGame research. At that point, Cash Pop emerged as one of the top choices among respondents. In 2018, IGT conducted more research specifically on Cash Pop in six U.S. jurisdictions where the game looked to be a good fit for the portfolio.

Among respondents:

52% said Cash Pop is “better than any other game currently on sale, or that I play, in my jurisdiction.”

51% stated that the availability of Cash Pop would “greatly/slightly increase my total spending.”

where Cash Pop has been introduced, the game was launched with a focus on these elements to attract new players and new demographics.

We thought about the best frequency of draws and concluded that each lottery should have the flexibility to initially choose the best draw frequency to suit its portfolio.

The New Jersey Lottery chose to hold a Cash Pop draw every 15 minutes. In Georgia, the Lottery chose a frequency of five draws per day, with each draw named for the time when it's held – for example, a Matinee at 1:00 p.m. And with digital play permitted in Georgia, IGT set up a specific section of the lottery app to enable players to have a complete interactive experience. In Trinidad and Tobago, where the game is called Money Grab, the Lottery opted for a fast game to suit its portfolio, with draws every three minutes.

PGRI: What are the results to date?

Francesco Parola: In a mature portfolio, the addition of even six to 10 cents

per cap is considered a good result for this industry (see sidebar, "Cash Pop Initial Results"). After three successful launches, the sales results are encouraging, and retailers and players are providing favorable comments. In New Jersey, where we are constantly tracking the game, we can see that player awareness is increasing week by week.

It's exciting that the Kentucky Lottery is launching Cash Pop as an interleaved game for Keno, which seems to be one of the best propositions for Cash Pop where allowed. We can't wait to see what the impact will be in their market. All of these results will help other lottery customers finalize the right pay table, the right target, and the right frequency of draws to secure the best and most sustainable results.

PGRI: With all the flexibility and choice available for operators and players, what's next for Cash Pop?

Francesco Parola: Cash Pop is a lottery game that we believe is like any other fast-moving consumer product.

"I'm in the driver's seat."

Player-Driven Game Innovation

IGT research found that the ability to customize the play experience of Cash Pop especially appealed to younger demographics, giving them a sense of being in control. Says Parola: "When we tested the game, players said things like, 'I'm in the driver's seat. I can decide how many numbers to pick, what price point I like best. I know my odds, I know my price, I know how many times I want to play.' The game is so flexible that players can choose what's best for them, and this supports responsible gaming."

Cash Pop Initial Results



New Jersey Lottery

Price Points
\$1, \$2, \$5, \$10

Draw Frequency
Every 15 Minutes

Top Prize
\$2,500

Launch Date
9/30/19

- Cash Pop generated weekly per capita sales of \$0.07 with minimal cannibalization to the existing portfolio.
- Most players (72%) picked one number per draw at the entry-level \$1 price point.
- Player-tracking research shows gradually increasing awareness and playership since the launch, and great playership and appeal in the youngest



Trinidad and Tobago Lottery

Price Points
TDD1, TDD2, TDD5, TDD10

Draw Frequency
Every 3 Minutes

Top Prize
TDD2,225

Launch Date
11/11/19

- Money Grab (the name chosen for Cash Pop) is performing to the Lottery's expectations, with initial results similar to other Cash Pop launches.



Georgia Lottery

Price Points
\$1, \$2, \$5

Draw Frequency
5 Draws Per Day

Top Prize
\$1,250

Launch Date
12/8/19

- Cash Pop generated weekly per capita sales of approximately \$0.10.
- The performance has been solid in brick and mortar stores, and very impressive in the digital channel, which is driving about 15% of total sales.



Kentucky Lottery

Price Points
\$1, \$2, \$5, \$10

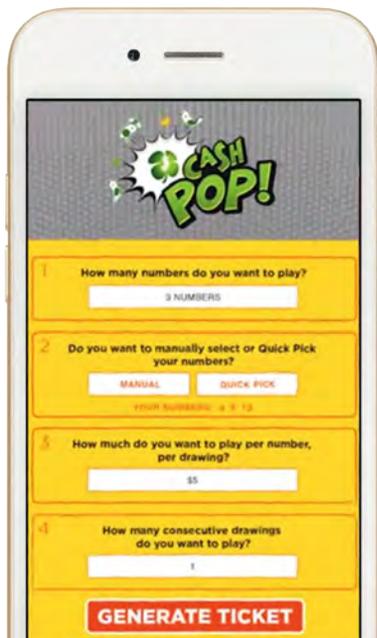
Draw Frequency
Every 4 Minutes

Top Prize
\$2,500

Launch Date
3/15/20

Cash Pop's Appeal

- 1. Easy to understand** The Lottery draws a single number from 1 to 15.
- 2. Extended play experience** Players receive a ticket with the numbers played and the randomly assigned prizes.
- 3. Flexible draw frequency** Lotteries choose the frequency of draws according to their needs.
- 4. Personalized strategy** Players can customize their play experience:

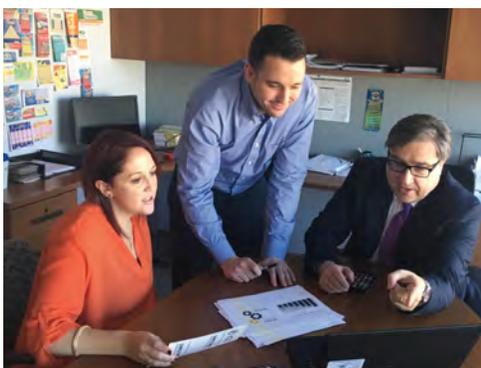


- Play more numbers to improve odds.
- Pick the price point, from \$1, \$2, \$5, or \$10 per number, with a higher designed payout for higher prices (range: 59% to 69%).
- Play consecutive draws to extend the experience.

FutureGame

To support an optimal experience for each individual player, IGT developed two play slips:

- A one-board play slip to offer a simplified and immediate experience. Players simply pick the number(s) (one or more), price point, and the number of draws.
- A multiple-board play slip, allowing players to customize the experience and their own strategy by simultaneously playing different boards. Each board can host more numbers (improving players' odds of winning), different price points (improving the prizes), and the number of draws (setting additional opportunities to win).



Francesco Parola, IGT Vice President Global Lottery Game Development (right) with members of IGT's FutureGame Team (left to right) **Sarah Simpkins**, Senior Director Draw-Based Game Portfolio Strategy, and **Brad Heathcote**, Senior Manager Game Development and Portfolio Management. IGT FutureGame research is led by **Gerard Caro**, Senior Director Marketing Insights (not pictured).

Today, all fast-moving consumer goods are constantly refreshed and repackaged. Nothing is forever, and one size doesn't fit all. We know we have to be prepared for the future with any game we test. We believe that any game with a strong proposition for the industry should be designed in a way that it can continually evolve in order to suit changing player preferences.

IGT and our lottery customers have just started to create awareness of a new segment of the portfolio with Cash Pop, so it's important that investment continues, to help improve the level of awareness. After analyzing

the results of the first adopters, we have already started looking at how the game should evolve, for example with more numbers or a different distribution of odds and prizes in order to fine-tune the product and sustain sales. ■

To learn more about Cash Pop™ please contact your IGT Account Manager.



Data in Motion Reimagines Play

The retail landscape is changing before our eyes.

Consumers now expect more from their shopping experiences, and retailers are adapting quickly.

Convenience stores are modernizing their operations, offerings and customer engagement to appeal to modern consumers. C-stores are increasing ease and availability with digital apps and fresh, made-to-order food. In other retail channels, supermarkets are offering more in-lane and self-service products with similar priorities.

A recent study published in January sheds some light on retailers' efforts to create a more engaging customer experience. According to Bluecore's research, "... up to 39% of brands reveal they are prioritizing customer-centric initiatives, such as improving experience or increasing customer value. This is in direct response to consumers' rapidly increasing rate of product adoption and demand for experience."

Their survey of 307 marketing technology decision makers at retail enterprises in the U.S. and Europe found that customer experience was respondents' highest priority, while only 21% of respondents said they think they do an effective job. The second-highest priority, customer acquisition, fared even worse at 20%. To evolve the retail experience and attract new customers, retailers need data to help guide their decisions.

Research by SwiftIQ and the Association for Convenience and Fuel Retailing (NACS) shows that lottery players' baskets at convenience stores are at least 50% greater than non-players' baskets. Yet c-store retailers have grown inside sales by 30% between 2010 and 2018 according to NACS. C-stores are not stopping there—*Nations Restaurant Review* reports that c-stores now own 10% market share of the fast food industry.

"These positive statistics for lottery retailers do not discuss the impact of lottery as a driver of sales at convenience stores. Retailers are not focused on lottery products because of the inherent problems

associated with the operation of lottery at retail," says Randall Lex, Vice President Retail Solutions, Scientific Games. The company serves lotteries and retailers in more than 150 markets around the world and is the leading innovator of lottery retail technology in the industry.

"Retailers want to grow the category but cannot continue to operate the same way and expect different results. As an integral product at retail, the lottery category has the opportunity to modernize and help retailers up their game," he said.

Putting Data to Work

Fun products, slick signage, creative marketing, retail engagement—these are the things that come to mind when thinking about reaching lottery customers and boosting sales. But what fuels the decision-making behind these important elements? It all comes down to data, Lex affirmed in a presentation at the European Lotteries London 2020 conference.

"There's data out there. We just have to capture it so we can actually use it in a way that will help drive sales—and drive sales responsibly," Lex said. "It's critical that lotteries leverage data to make informed decisions, modernize lottery at retail and drive healthy play."

Quoting Tim Bucher, Chief Product Officer at Scientific Games, Lex added, "Data at rest is storage. Data in motion is an experience."

With consumers more open to new technology than ever before, vast amounts

of data are being generated all the time. Rather than just storing this data on a server, Lex proposes putting this data to work to create better player experiences.

"It's not enough to have data and to have marketing ideas. Cross-company departments have to merge together, those units have to talk, and they have to understand the capabilities of capturing that data and how to execute on it," Lex said.

Creating an Ecosystem

Scientific Games designed its *SCiQ*® retail ecosystem to use data to create better lottery experiences. Lex emphasizes the term "ecosystem" when describing *SCiQ* because it has unique benefits for retailers, players and lotteries. In addition to modernizing the instant game presence at retail, *SCiQ* increases data capture and player engagement and extends the experience beyond retail.

"It's not just a retail lottery game display and dispenser. It's a data generator for lotteries and retailers," he said.

The underlying concept is to increase the capture of usable data throughout the lifecycle of an instant game. The collected data informs all aspects of the instant game business, from new product development to marketing, merchandising and sales. It is designed to provide visibility and real-time data to retailers and the lottery while reaching players in a competitive retail landscape.



Randall Ilex
Vice President Retail Solutions

Making Retailers' Jobs Easier

Bluecore's research shows that 36% of retailers wait up to a week or longer to get data. This statistic could easily be used to describe lottery retailers and lotteries, who are typically hindered by imprecise and untimely data regarding instant game sales across their retail network.

SciQ brings specific insights because it manages, dispenses, merchandises and tracks instant games at the ticket level. This enables precise inventory management, out-of-stock prevention and security for retailers. Thanks in part to the immediacy of data that SciQ provides, 84% of retailers say it makes their day-to-day lottery work easier, Lex said.

"Think about if you could actually extract the unit-level information of that instant game data and understand what a shopping cart looks like, what transaction volumes look like by hour, by day," Lex said. "There are opportunities for us to grow and bring this data in-house, review it, analyze it, and execute on it every day."

Increasing Player Engagement

Because consumers have driven the need to enhance the retail experience, SciQ offers advantages to retailers who want to boost instant games' appeal and visibility in their stores.

"Typically in a retail environment the instant product isn't as front-and-center, yet the instant product drives a lot of sales and repeat traffic and churn for the retailer," he said.

A modernizing element of the SciQ system, a digital menu board displays game images and data such as ticket numbers and game recommendations. Some retailers hang SciQ menu boards from the ceiling of their stores to maximize visibility, a media value that lotteries have never received before.

"As soon as you walk into some stores you see a 50-inch SciQ monitor—

the only way you get that value is to modernize the instant product at retail by addressing the merchandising and operational challenges retailers face," Lex said. "SciQ tells us what people are buying and when they're buying it so you can make recommendations digitally and automatically on the digital menu board."

About 81% percent of players say SciQ display is better than traditional instant game displays, and 86% say that SciQ helps players stay more informed. This is due to the adoption and positioning by retail of automated technology to merchandise, modernize and operate the instant game category.

Driving Sales Responsibly

Improving the experiences for players and retailers is necessary for healthy retail, but lotteries exist to generate profits for the good causes they support like education, health and welfare, senior citizens and the environment.

"For lotteries that have fully adopted the SciQ ecosystem, we see a 15-20% increase in sales," Lex said. "We want to grow sales, but we have to do it responsibly."

Scientific Games continues to evolve the SciQ ecosystem, including using data to help players manage spending levels. The company is also expanding SciQ in areas such as in-lane sales and self-checkout, as well as extending player experiences via mobile. Of course, data remains at the heart of all new innovations.

"Data is powerful," Lex said. "We are putting it into motion and creating new experiences."

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Retail Brand Survey

45%

customer acquisition
top 3 highest priorities

21%

effective at delivering
good customer experiences

36%

up to a week or longer delay
to get data

39%

customer experience
top 3 highest priorities

12%

very effective
personalized experiences

35%

tech contributes to their ability to improve
customer experience

*Study conducted by Bluecore

Following is an edited transcript of the panel discussion held at PGRI Lottery Expo NYC on October 30, 2019 in New York. You can view a video of the complete panel discussion at PGRItalks.com.



GLOBALIZATION OF LOTTERY: Protecting the brands, channeling the consumer demand towards legal operators, and combating illegal iLottery

Moderator: May Scheve Reardon, Executive Director, Missouri Lottery and Member of the WLA Illegal Lotteries and Betting Committee

Gary Grief, Executive Director, Texas Lottery

Bret Toyne, Executive Director, Multi-State Lottery Association (MUSL)

Gordon Medenica, Director, Maryland Lottery, Lead Director of Mega Millions Consortium

Barry Pack, Executive Director, Oregon Lottery

The WLA convened the Illegal Lotteries and Betting Committee to address this issue. The purpose of this panel discussion is to hear some of the different opinions on how best to address the problem of illegal iLottery, and to explore the options for expanding the legal distribution of Powerball and other lottery products, outside of the United States.

May Scheve Reardon: This discussion has a few different moving parts. First,

PGRI Introduction: A problem has arisen in recent years with the advent of “synthetic” lotteries and operators who buy lottery tickets and re-sell them into markets without proper authorization – giving rise to some questions. How should the global demand for lottery products be met? What should the community of government-authorized lotteries do to protect the value of its brands, combat the illegal sale of lottery products, and channel the economic benefit of international sales back to their stakeholders?

the lotteries which own the Powerball brand would like to explore options for increasing sales. One option is to expand distribution into markets outside of the United States. The international demand for Powerball is presently being met by commercial operators. We will talk about some of the pros and cons to the different methods of making Powerball available in international markets. A different but related part of this picture is the way the

Powerball brand has been misappropriated by “synthetic” lotteries which basically sell a bet on the outcome of the lottery draw. The player experience is quite similar to playing Powerball. In fact, consumers may even think they are playing Powerball when they are actually placing their order, technically a bet on the outcome of the Powerball draw, with a commercial company.

“We need to be the ones to decide how the global demand for Powerball should be met.”



“The real threat is not so much the re-sellers as the synthetic virtual “bet-on-the-outcome-of-the-lottery-draw” model.”

As you might imagine, there are different opinions on this topic. One point of view is that the toothpaste is already out of the tube. Powerball is already being made available through numerous channels and so the best way to get control of the international market-place and channel funds back to good causes is to make sure we are a part of the supply-chain. Another point of view is that, first and foremost, we need to do everything we can to make sure Powerball is not being sold in violation of any jurisdictional rules and regulations, including the international markets where Powerball is being sold without proper authorization from the jurisdictions where the players reside. There is also a concern that the brand might be devalued in the U.S. if or when consumers in foreign markets start to win big jackpots. There is no perfect agreement over how to best reconcile this set of objectives and concerns. Let’s see if we can’t sort these issues out and let’s start with Gary.

Gary Grief: I have very strong views on this and I’m in the camp that says that the genie is out of bottle. When I hear talk about how we need to adhere to a certain set of core values and never allow our product to be sold internationally because our players just won’t stand for it, I just harken back to old companies that failed to evolve with the times. I wonder

if Mr. Sears and Mr. Roebuck didn’t have these same conversations back in the 1970’s, arguing about whether they adjust their retailing strategies to compete with newcomers who were disrupting their industry. Or IBM and Digital Equipment Corporation in the 80’s. Or Blockbuster and Kodak in the 90’s. We can see that resistance to market-driven trends simply does not produce the desired results. I believe we need to stay open-minded and get creative and find a way to leverage the international demand for Powerball to drive sales for the benefit of good causes. There is a whole host of companies that are selling not just Powerball and Mega Millions but other branded products like Lotto Texas and NY Lotto and EuroMillions and countless others. And the number of these operators is growing because they are making money. I believe that the best way, perhaps the only way, to combat the illegal lotteries and protect the integrity of our brands is to find a way to sell internationally with the blessing of the international community.

I would like to add that I respect the fact that lottery directors are accountable to their in-state constituents who may have different agendas. The laws and political priorities vary from state to state – there are many factors that go into determining whether or how we should expand the sale of Powerball into international markets.

M. Scheve Reardon: So how do we forge a consensus or at least a quorum to decide how to proceed?

G. Grief: I feel better about our prospects now because just this week we had discussions about this topic in both our MUSL meeting and our WLA International Workgroup meeting, and I think we made significant progress. We have an outstanding new chair of our MUSL game development committee in Drew Svitko. I think between Drew’s leadership from the MUSL perspective and Rebecca’s leadership from the WLA International Workgroup perspective - positive things will come out of these discussions and begin to happen.

M. Scheve Reardon: Barry – What are your thoughts?

Barry Pack: I have been 100% transparent about our activities in Oregon to sell Powerball to players internationally. I think that the community of U.S. lottery directors needs to come to terms with the fact that we exist in a global marketplace, that players are not just residents of our states or even our country but that the demand for our product is global. The Powerball brand is valued throughout the world for its reputation for integrity and for the big jackpots it generates. People everywhere are now used to purchasing things where they want, when they want, and how they want. If we can accept that fundamental market-driven truism, then I think the question becomes how do we as a group address the underlying concerns that prevent us from being the ones to control, or at least participate in, the global distribution of Powerball. I think we need to work towards building a brand messaging, marketing, and distributional strategy that we can all come together and support. I think that MUSL and the Powerball Game Group need to define what the Powerball brand is, what we stand for, and what our objectives for the product are. And we need to be the ones to decide how the global demand for Powerball should be met.

The global demand for Powerball is not going away. The disrupters in the marketplace will continue to find new ways to make the product available everywhere in the world. So I think it is incumbent upon us to be very frank and open and honest and transparent with each other about what are the concerns or objections to selling internationally and how do we address those concerns. And, like Gary, I submit that we need to talk about the options in a constructive manner which does not include using inflammatory words like “illegal” and “criminality” and “aiding and abetting.” As our Oregon Lottery motto says, “Together we do good things.”

Gordon Medenica: On a serious note I do want to thank Barry for the transparency

that he has had throughout and that has enabled all of us to learn a lot more about the global demand for Powerball and the ways it is being distributed now. I want to start with the observation that the real threat is not so much the re-sellers as the synthetic virtual “bet-on-the-outcome-of-the-lottery-draw” model. Unlike the re-sellers who at least buy the tickets from an authorized retailer so at least one Lottery benefits from the sale, the synthetic lottery is not even buying our tickets and so are denying the economic benefit that should accrue to the owners of the brand and their beneficiaries. As the synthetic lotteries acquire more and more customers, what is to stop them from developing their own branded lottery products to compete with our products. We turn over 25% to good causes while they employ more aggressive promotional strategies to build their customer base and channel the economic benefit to private shareholders. Their methods have severely disrupted the markets of Europe, Australia, and Canada. We want to make sure we do not do anything to weaken the regulatory barriers that have thus far prevented them from penetrating the U.S. market-place. We should not take our monopoly status for granted as it is only as relevant as the regulatory frameworks that protect us.

“Mega Millions Consortium feels that the potential benefits of international sales are far outweighed by the likely downsides that come with internationalizing the sale of lottery products.”

Mega Millions Consortium feels that the potential benefits of international sales are far outweighed by the likely downsides that come with internationalizing the sale of lottery products. We are concerned about the impact on the perception of value in the U.S. when the players feel like they are competing with hundreds of millions of consumers spread across the entire planet. But the real concern is that if we think we can sell into other markets, what makes us so confident that they won't figure out how to sell into our market? Right now, U.S. lotteries enjoy an effective monopoly in the richest consumer market

in the world. Is it worth jeopardizing that status for whatever benefits you think might be gained by marketing outside the U.S.? The monopoly status of lottery products is being threatened almost everywhere else in the world. We are confident in the efficacy of our regulatory structures and enforcement mechanisms in the U.S. I am just concerned that we not be over-confident that actions on our part combined with well-funded lobbying efforts on the part of adversaries in the commercial operator sector combined with a rather immutable global trend towards less regulation and more free-market competition – that these factors might represent a threat to our monopoly status in the U.S.

I do want to thank Barry for respecting the wishes of the Mega Millions Consortium to terminate the sale of Mega Millions to international re-sellers. He has always been transparent and quick to align with the Mega Millions agenda and our desire to prevent, or at least minimize, international sales of Mega Millions. I also want to thank MUSL for including us in its International Working Group. I do think we all want the same things – increased sales and funding for good causes while building a sustainable business model that serves our

stakeholders for many years to come. We may just have different views on how to get there.

M. Scheve Reardon: Bret has so many bosses with differing opinions, it's hard to imagine how he walks the fine line of making sure everyone signs on to anything and don't shoot the messenger. What are your thoughts, Bret?

Bret Toyne: I should preface that these are just my opinions and I am not speaking on behalf of the MUSL Board or the International Working Group. As Gary and others have pointed out, I do

think we are making good progress. I think it is about developing consensus by finding a middle road through thoughtful data-driven decision making. It is about clarifying the elements of a business case, putting that in front of the committee members and being transparent with all of our stakeholders. I think that is what we are doing and I think we are working towards a good solution.

M. Scheve Reardon: What if we created a different game that would satisfy the international demand but actually not compete directly with Powerball? Maybe make it be a \$5 Powerball and call it World Powerball or GlobalBall. We sell that game outside the U.S., and continue to restrict the sale of Powerball within the U.S. Would that make sense, Gary?

G. Grief: I would submit there is a more pressing sense of urgency that precludes that as an option. A new \$5 game international game takes years to develop. Develop the game, find the countries that are willing to be a part of something new that doesn't have instant brand credibility, then work out the terms and conditions with all the different jurisdictions around the world, then install all the mechanics for marketing, advertising, promotion, POS's, distribution, etc. And all that to be done without the benefit of a predictable revenue stream. Who knows how long it will take to engage millions of people to play this new game and drive the jackpots up to the levels that Powerball delivers quickly and predictably.

Gordon just made a powerful presentation that illustrates the urgent need to reignite sales of Powerball and Mega Millions. These flagship brands are losing momentum and are in need of the major jump-start that internationalizing the sales would deliver. That's why my focus has been 100% for rapid expansion of Powerball into the international market-place.

M. Scheve Reardon: Bret, how long have you been working on this project?

B. Toyne: We brought this idea to the attention of the MUSL board almost three years ago. That is when we began to explore the options, conduct research and look at the data with these new possibilities in mind. As you can tell by the discussion we are having right now, it is a somewhat complicated picture with lots of moving parts. There is the need to increase the sales of Powerball, the need to protect our brand-marks, the

need to channel economic benefit away from unauthorized operators and over to the operators which support good causes. We also need to respect the rules and regulations of other jurisdictions. And we must be mindful of the potential to diminish the brand value in the U.S. if winners start popping up in other parts of the world.

M. Scheve Reardon: I asked Bret to serve on the WLA Illegal Lottery and Gaming Committee. It will be so good to have all of us working together to reconcile these different priorities. Gordon, you were talking about what happens when people in other countries win. When I travel our own state of Missouri, I often hear complaints from people in rural towns that Powerball is always won by residents of the big city of St. Louis. When I am in St. Louis, I hear complaints that winners always hale from rural parts of the state. I can't imagine what they would say if the winner resided in Dubai or Sydney or Moscow.

G. Medenica: I think this falls into the category of a known unknown. Some of us just need to respectfully agree to disagree about the impacts that foreign winners will have on the U.S. consumers' perception of value. The perspective of the Mega Millions consortium is that the prospect of winners from foreign countries diminishing the perception of value for U.S. players represents a real and unacceptable risk to the brand equity so we want to do what we can to minimize the sales of Mega Millions outside the U.S. And we definitely do not want to facilitate and encourage re-selling of Mega Millions outside of the U.S.

The potential for negative consequence of a big jackpot winner in a foreign country is real. But we don't know what the effect will be. That's why Mega is supportive of the different Powerball initiatives. I think it's one of the great things about having two groups running the two games – you're allowed to have differences of opinion and experiment with different hypotheses and we will all learn from it.

G. Grief: More and more states, including Texas, are allowing top prize winners to remain anonymous so we do not know who is winning anyway. And this strikes me as the same types of conversations we had when we moved to cross-sell Powerball and Mega-Millions. The vote won by the narrowest of margins because many directors protested that making Powerball available in the bigger Mega

Millions states would result in too many winners from the more populous states and the players in their own states would not like that. Of course, Texans don't like it when New Yorkers win Powerball. But does that impact how much money they spend to play Powerball? I don't believe it does. Did that prevent us from approving cross-sell? Thankfully it didn't.

B. Toyne: We have crossed this bridge a number of times. Powerball started over twenty-five years ago with fifteen member states. There are now forty-eight jurisdictions offering Powerball and every time population was added, there was a logical concern about it reducing the odds of the winners coming from your jurisdiction. Mega Millions and EuroMillions have evolved in the same way – adding markets which increase the population and player-base. This issue has been tested many times and it continues to be a worldwide success story for multi-jurisdictional games. Of course, there is the potential for any change to cause some players to react negatively. I'm sure some people stopped playing when Powerball went to \$2. But sales increased then just as they increased with cross-sell – so the aggregate effect would appear to be positive.

We do want to make sure we have a great product for all player styles and preferences. We certainly want to always have a big multi-jurisdictional jackpot game for players who want the market restricted to only be in the U.S. Some players even prefer to play an in-state game. We need to have our portfolio be robust enough to respond to a wide variety of player demands.

M. Scheve Reardon: What would you like to see happen as our organization moves forward to deal with this issue, Bret?

B. Toyne: I think in a perfect world, the game portfolio should include some games that are made available to a global audience. Maybe the obstacles or the collateral consequences will make that impossible. But I believe we should try to overcome them and expand into international markets. Perhaps it's Powerball that could be a start. I think globalizing the sale of Powerball does two things. It could revitalize and add some excitement to the game here in the U.S. And it could provide a boost to the MUSL membership if we offer the game in the UK and other jurisdictions. The revenues would increase their

contribution to their own good causes as well as ours. It allows the UK National Lottery and Camelot to be competitive with gray-market courier services, synthetic lotteries, and "society lotteries" like the Health Lottery. MUSL working with the UK National Lottery and Camelot strengthens our ability to protect our brands from third parties that don't contribute to good causes either in the UK or here in the U.S.

M. Scheve Reardon: I know I speak for all MUSL members when I thank you and the entire MUSL staff, Bret, for all that you do support us and manage these games. Gary, what about you?

G. Grief: I'll give two scenarios. One would be my personal vision which will probably never be achieved. That would be to forge partnerships with resellers like Jackpocket, TheLotter, Lottery.com. We could do that today and be selling Powerball internationally within 60 days. Have them subject to rule 2 and all of the terms and conditions required of current MUSL member state lotteries. We brought that idea up two or three years ago, but it was met with a resounding thud. Now that I am a part of the International Working Group, I fully support the approach being taken to try to forge a partnership with a very well-known, highly respected and reliable international partner which has a substantial population base that we can add to Powerball. With Camelot UK, we could prove the concept works, prove that we can overcome obstacles like time zone and currency differences. Once we prove it works without negative consequences, others will want to work with us as well. I'm hopeful that our colleagues on the MUSL Board will have an open mind and understand the urgency of what we need to do. Drew Svitko talked about the levers that we can pull if we want to have a substantial impact – we can change the frequency of draws, we can change the matrix, we can change the price point of the game, but the most important thing we can do and the one we did with cross-sell is to increase the playing population. And that's what the international expansion does for us and why I'm optimistic we can get there.

M. Scheve Reardon: Gentlemen, I appreciate your sharing your insights and serving on the panel today! I do think we contributed to a better understanding of the issues, the opportunities, risks, and trade-offs. ■



POWERBALL TAKES CENTER STAGE ON NATIONAL TV

“FIRST POWERBALL MILLIONAIRE” PROMOTION BROUGHT WINNERS TO NYC, POWERBALL TO AN AUDIENCE OF MILLIONS

One of the great things about working in the lottery industry is the positive impact winning can have on people’s lives. Wins at all monetary levels can profoundly impact players’ lives. However, most lottery representatives never see the actual moment of winning...the great reveal.

That is, until this past New Year’s Eve.

Live on ABC’s Dick Clark’s New Year’s Rockin’ Eve with Ryan Seacrest 2020, the First Powerball Millionaire of the Year was unveiled to tens of millions of viewers nationwide, and America got to see Blaine Marston from Maine walk away with the top prize. And what a story

Blaine from Maine is – Single Dad, works with people with special needs, one of 11 siblings. When Blaine’s brother jumped into his arms on national TV, it marked a watershed moment for Powerball. A brand sold in 48 U.S. jurisdictions finally had its moment on national television with players and non-players alike witnessing the unbridled joy of winning a life-changing prize.

Leading up to that seminal moment, more than 303 winners plus their guests spent a memorable few days in New York City. We’ll review the excitement leading up to the big moment and catch up with Blaine Marston on how his life has changed since he was introduced to the country as the First Powerball Millionaire of the Year.

EVENT OVERVIEW

DAY
1

December 29: ARRIVAL, WELCOME RECEPTION

While the weather was mild in New York City (at least for the end of December), winter was in full swing in some parts of the country. But just about every winner and their guests made it to the city in time for the Welcome Reception at the famous Edison Ballroom. It was worth the trip as they were in for a jaw-dropping surprise – the Beach Boys would be performing just after dinner. After five decades of hits and touring, they can still bring it. From “Little Surfer Girl” to “Kokomo” to “California Girls,” they rolled out all their greatest hits as the crowd danced the night away. Mike Love still fronts the band and was the consummate showman.

Once the Beach Boys exited the stage, country singer and Powerball correspondent Jessie James Decker greeted the crowd with a “How ya’ll doing?” Jessie then announced the five First Powerball Millionaire of the Year finalists:

Blaine Marston, Maine

Cathie Ritchie, Idaho

Rigoberto Hernandez Solorzano, Tennessee

Theresa Royce Rodgers, New Mexico (who was a proxy for her father, Cecil Rodgers, who was hospitalized and couldn’t make the trip)

Kai Nichols, New York

The stage was now set for two full days of fun in New York City, leading up to the big unveil early on January 1.

IN BROADCAST
POWERBALL MOMENTS

FEATURED IN OVER 9 MINUTES OF THE 5 1/2 HOUR BROADCAST

8:28 PM ET
9:28 PM ET
10:20 PM ET
12:16 AM ET

BROADCAST

DAY
2

RADIO CITY MUSIC HALL TOUR, ROCKETTES CHRISTMAS SPECTACULAR, HARBOR CRUISE

After breakfast, winners and their guests travelled two blocks across Times Square to the famous Radio City Music Hall for a personal tour of the famed performance center. The tour was followed by a New York tradition – a performance of the “Christmas Spectacular Starring the Radio City Rockettes.” The Powerball crowd was treated to a thrilling, leg-kicking performance from this iconic group of dancers.

Later that day, the group took to the water to see New York from an awe-inspiring vantage point on the Hornblower Cruise of the Hudson River. While the temperatures had cooled down, the clearing skies provided a spectacular view of the Manhattan skyline. The highlight of the cruise was an up-close-and-personal view of the Statue of Liberty. Many folks braved the cold breezes to get outside for truly memorable selfies with Lady Liberty.

Inside the boat, an Elton John Tribute band got the crowd up and dancing to Sir Elton’s greatest hits. The fun continued with DJ Kevin G whose musical choices inspired a conga line that wound up the stairs and onto a second floor. To say there were some impressive moves on the dance floor would be an understatement.

POWERBALL TO AGAIN TEAM WITH DICK CLARK PRODUCTIONS FOR NEW YEAR’S ROCKIN’ EVE WITH RYAN SEACREST 2021

After the rousing success of the integration into ABC’s *Dick Clark’s New Year’s Rockin’ Eve* with Ryan Seacrest broadcast this past New Year’s Eve, Powerball recently decided to again join forces with this entertainment juggernaut for the December 2020 broadcast. For the second consecutive year, Powerball will be front and center on one of the most-watched entertainment programs on network television.

Also returning will be the Powerball winner trips to New York City to partake in the activities surrounding New Year’s Eve. These “bucket list” trips will again place trip winners and their guests into the center of Times Square for all the festivities associated with this exciting time of year in the city. And, like last year, one of them will walk away with the top prize awarded LIVE on the ABC broadcast.

Throughout 2020, Powerball will team with Dick Clark Productions, which produces the *New Year’s Rockin’ Eve* broadcast, to publicize the relationship and promote important milestones leading up to New Year’s Eve. Using the power of the company’s public relations and social media reach, Powerball will enjoy attention and discussion in media and other avenues not typically reached.

Stay tuned for more information on how *Dick Clark’s New Year’s Rockin’ Eve with Ryan Seacrest* 2021 broadcast will provide Powerball with even greater excitement and exposure for the brand.

For background on Dick Clark Productions, visit www.dickclark.com.

FIRST POWERBALL MILLIONAIRE

DAY
3

TIME IN THE CITY, POWERBALL PARTY & FIRST POWERBALL MILLIONAIRE OF THE YEAR

New Year's Eve Day broke with sun and temperatures in the low 40s – perfect weather for winners and their guests to hit the city. As Times Square began to buzz with people taking their places for the midnight ball drop (as early as 5 a.m.), many of the Powerball guests headed to the 9/11 museum, Central Park and Greenwich Village. In the afternoon, many came back to the hotel to prepare for the New Year's Eve festivities. "Pop-up" beauty salons at the Crowne Plaza helped winners and their guests to look their best for the big night. Hair styling, beard clipping and make-up were the highlights, but some folks just wanted to relax with a massage. As night fell over Times Square and Ryan Seacrest was taking his place on his outdoor stage, the Powerball Party was kicking off in the Crowne Plaza. For this unprecedented event, Powerball took over two floors at the hotel. On one floor was the dining room with a jazz band as dinner entertainment. The second floor was where the action was happening. A large ballroom was transformed into the First Powerball Millionaire of the Year stage for the ABC live broadcast "hits" from the party. The other side of the ballroom featured a performance stage for the Café Wha? Band, which performed throughout the night, and for Jessie James Decker, who regaled the crowd with a few songs. Of course, the highlight of the night was the First Powerball Millionaire of the Year MOMENTS on ABC's Dick Clark's New



Year's Rockin' Eve with Ryan Seacrest 2020. Throughout the night, Ryan Seacrest "tossed" the show to Jessie, who reported live from the Powerball Party and introduced the finalists to the country.

Shortly before midnight, many winners and guests made their way outside to the Powerball Pen for a viewing of the ball drop. Others decided to stay inside, enjoy the warmth (and champagne toast) and watch the ball drop on the many screens scattered around the party. The ball drop didn't just mean it was now 2020. It also meant it was just minutes to the First Powerball Millionaire of the Year drawing. Ryan introduced Jessie who gave the signal for the balls to drop into the Powerball drawing machine, while each finalist held a paddle featuring their number. The winning number was Number One - the First Powerball Millionaire of the Year was Blaine Marston from Maine. From there, it was organized (and compelling) mayhem. Jessie announced

the winner, Blaine's brother Josh jumped onto the stage and into his arms, the confetti canons shot into the air, and everyone cheered in excitement. It was quite a moment for the Powerball brand.

While all the five finalists were terrific, and the New Mexico finalist certainly had an emotional story to tell, Blaine Marston, the First Powerball Millionaire of the Year, was truly a special story. "Blaine from Maine," as he became known, is a single Dad, former foster child, one of 11 siblings, and lives in upstate Maine. His new-found winnings will be put to good use, for both his family and the community.

With that, the Powerball Party came to a close and on New Year's Day, the winners and their guests headed home. But the memories of what transpired over the previous three days will certainly linger for most attendees. It is certainly a New York City adventure that will live on in Powerball lore.

“BLAINE FROM MAINE” NAMED FIRST POWERBALL MILLIONAIRE OF THE YEAR LIFE-CHANGING EVENT WITNESSED BY NATIONAL TV AUDIENCE



- Enjoy a performance by the Beach Boys.
- See the Rockettes at Radio City Music Hall.
- View the Statue of Liberty up close.
- Experience the famous ball drop at midnight on New Year's Eve.
- Win \$1 million live on national television.

For Blaine Marston of Passadumkeag, Maine, four of those five events were definitely going to happen. But win \$1 million? That was only a dream.

As Blaine can now attest, dreams do come true. Randomly selected from the 303 winners of the First Powerball Millionaire of the YearSM second-chance drawing, Marston became one of the five finalists on his first night in New York City and his good fortune continued into the early minutes of 2020.

Assigned Number One, Blaine watched in anticipation as country singer and Powerball Correspondent Jessie James Decker activated the ball machine to send the balls bouncing into the large hopper. Seconds later, the Number One shot out of the machine, Blaine was the winner, and joyous chaos ensued. Blaine's brother, Josh, leapt into his arms as the crowd chanted “Blaine from Maine, Blaine from Maine” on national television.

“I can't believe it, I can't believe it,” Blaine told

Jessie as she interviewed him in front of the national audience. And in a nod to his home state, he shouted, “Way to go Maine!”

Maine is where Blaine's journey to New York and lottery fame started last summer. The Maine Lottery participated in the First Powerball Millionaire of the Year promotion and Blaine was one of 15 lottery players from the Pine Tree State who entered and eventually won a trip to New York City.

Arriving at the Crowne Plaza Hotel in Times Square on December 29, Blaine didn't have much time to settle into his room. Shortly after the Beach Boys had sung the last refrains of “California Girls,” Jessie James Decker took the stage and announced Blaine as one of the five finalists.

For the next three days, there was a mix of events in the

City, meetings with show producers and meet and greets with Jessie. But the five finalists were still able to have fun and even sneak in a viewing of the midnight ball drop with a few million new friends in Times Square.

Once that ball dropped, it was show time for Powerball. The finalists took their spots on the stage, waited for the Jonas Brothers to finish their set from Miami and then watched anxiously as Jessie started up the Powerball machine.

When did it hit Blaine that he was the First Powerball Millionaire of the Year? At a press conference

back at the Maine Lottery a few days into the New Year, he said it was his brother's reaction that let him know.

“I saw his eyes light up and the next thing I know he jumped on the stage,” he said. “We're talking four steps that he skipped to jump up there and grab me.”

Maine Lottery Director and Powerball Product Committee Chair Gregg Mineo said it was a thrill for the Maine Lottery and all Powerball players to have the First Powerball Millionaire of the Year reside in Maine.

“Blaine is a great representative of the state of Maine,” Director Mineo said. “While he certainly enjoyed the trip to New York over the holiday, I think what happened on New Year's Eve and everything that has taken place since then is the real treat for Blaine and his family. He will put his winnings to good use and we congratulate Blaine on his good fortune.”

“I'm also happy for the Powerball brand as a national audience saw some of the great stories that those of us in the lottery industry hear daily,” he said. “I hope it convinced some new players to give us a try and join the fun of playing lottery games.”

At the Maine Lottery press conference, Blaine addressed the most-asked question he has received – will he quit his job at Sweetser's, a non-profit for people with developmental disabilities?

“That's the biggest question everyone's asked me, my consumers at Sweetser, my staff at Sweetser, they've asked me if I was going to quit. And I was like, “no, no, no!” I entered the field because I love people, I'm going to continue to do that,” he said.

And for the next year, at least, he will be known as the First Powerball Millionaire of the Year. 🍀



PGRI Lottery Expo is held every year in the fall in New York City. In 2019, it was held October 28-30. This year it will be held the third week of September, specific date and venue TBA. Check in at PublicGaming.com or PublicGaming.org for conference updates. It is always well-attended, features world-class speakers and provocative cutting-edge content. See video-recorded presentations and panel discussions at PGRItalks.com.



1. Gwen Dean 2. Drew Svitko 3. Drew Scolaro 4. Meghan Dondero, Erica Huss 5. Brian Roberts, Gary Grief 6. Rebecca Swindle 7. Larry Loss, Sean Athey 8. Helen Walton



1. Gordon Medenica 2. Amy Hill, Kevin Gass 3. JB Landroche, Rhydian Fisher 4. Rebecca Hargrove 5. Andrew Crowe 6. Ryan Mindell 7. Nick Papadoglou, Barry Pack, Beth Bresnahan 8. Joe Randazza 9. Michelle Carney 10. Peter Sullivan 11. Doug Pollard

Scenes from PGRI Lottery Expo, October 28-30 in New York City



1. Rose Hudson 2. Tom Delacenserie 3. Gwen Dean 4. Kevin Gass, Doug Pollard 5. Rebecca Hargrove 6. Frances Fragos Townsend 7. Paul Jason 8. Jim Carey 9. Jennifer Westbury 10. Charlie McIntyre



1. Wendy Montgomery, Jennifer Westbury 2. JB Landroche 3. Srin Nedunuri 4. Nick Papadoglou 5. Barry Pack 6. Gerry Aubin 7. Jason Lisiecki 8. Dena Rosenzweig 9. Vivian Byrd, Rebecca Swindle 10. Beth Bresnahan 11. Kevin Gass 12. Drew Svitko, Amy Hill

Scenes from PGRI Lottery Expo, October 28-30 in New York City



1. Gordon Medenica, Barry Pack 2. May Scheve Reardon 3. Casey Brett 4. Bret Toyne 5. Sarah Taylor 6. Frances Fragos Townsend, Rebecca Hargrove, 7. Jason Williams, Scott Kaufman-Ross 8. Rose Hudson 9. Scott Henneman 10. Bilal Aziz



1. Gary Grief 2. Matt Lawson, Jason Williams 3. Tim Yahya 4. Guillaume Pernette 5. Brian Roberts 6. Adam Perlow 7. Brad Cummings 8. WILL Scholarship Recipients Christina Price, Ashley Carel, Jessica Micenheimer 9. Gwen Dean, Sarah Taylor, May Scheve Reardon 10. Sara Navidazar 11. Maggie Fuller



PULSE of the Industry

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NORTH AMERICAN NEWS

PEOPLE

Tom Delacenserie, Kentucky Lottery president and CEO set to retire



Delacenserie assumed the top job in May 2017. Sales from FY17 through FY19 rose from \$1,000,501,000 to \$1,129,655,000, a \$129.1 million (12.9%) increase during his tenure.

“We’ve accomplished a tremendous amount in the last two and a half years,” Delacenserie said. “We strengthened our brand by creating a new lottery logo, improved product offerings by increasing payouts on our Scratch games, developed exciting new draw games, and enhanced our advertising support. And we upgraded product delivery systems, including vending machines with state-of-the-art touch screen technology. By achieving these goals and with your help, we set, broke, and re-set sales records each year I was here. More importantly, in the process we increased overall transfers to the Commonwealth to fund college scholarship and grant programs, helping Kentucky students stay home to pursue their degrees.”

Cash transfers to the Commonwealth rose during Delacenserie’s term from \$247.7 million in FY17 to \$272.7 million in FY19, a \$25 million (10.1%) increase.

Current Kentucky Lottery COO Marty Gibbs

will serve as interim president and CEO, while current Vice President and Corporate Controller Maggie Garrison will serve as Interim COO until the new president and CEO is in place. Additionally, Sommer said Delacenserie will serve as a consultant during the transition and search on an as needed basis.

Delacenserie came to Kentucky from Florida, where he served as secretary of the Florida Lottery. “I’ll miss this industry, the friends I’ve made, staff at the numerous stores I’ve visited, and of course the dedicated staff here at the Kentucky Lottery. At the same time, I have grandchildren I’d like to spend more time with and my bride of almost 50 years who has been waiting patiently,” he said.

James A. Carey, Jr. was sworn in today to serve as the Executive Director of the New Jersey State Lottery



Carey has been serving as the Acting Executive Director since being appointed on July 23, 2018 by Governor Phil Murphy to take over leadership of the Division of State Lottery and was subsequently confirmed by the New Jersey State Senate on January 9, 2020.

“Leading this important state agency is a tremendous honor and I know how essential the Lottery is to our State and its economy,” said Carey. “I am happy to be working with our staff, vendors and retailers to keep it one of the best and strongest performing lotteries in the country.”

During his term as Acting Executive Director

of the Lottery, the New Jersey Lottery has seen record-breaking sales and its highest ever contribution to the State in fiscal year 2019. Carey also helped renegotiate the terms of the contract with Northstar New Jersey Lottery Group, which controls the New Jersey Lottery’s sales and marketing operations, a move that is projected to save the State roughly \$100 million over the remaining life of the contract.

Randall Hunt resigns as Florida Lottery Secretary

International Game Technology PLC Appoints Fabio Celadon as Executive Vice President, Strategy and Corporate Develop- ment



Fabio will continue to report directly to IGT CEO Marco Sala as a member of the Company’s senior leadership team. As EVP, Strategy and Corporate Development, Fabio will be responsible for IGT’s Strategy, Mergers and Acquisitions and Competitive Intelligence functions. Under Fabio’s leadership, his group will monitor industry and competitive trends in IGT’s core and adjacent markets; develop IGT’s portfolio strategy; identify key portfolio initiatives and support the business unit CEOs in the identification and execution of their business unit strategic initiatives; execute the Group’s M&A strategy (mergers, acquisitions, JVs and divestitures), managing deal evaluation, structuring and negotiation, and coordinating internal cross-functional teams as well as external advisors. Reporting to Fabio will be the leaders of three functional areas: Strategy,

Mergers and Acquisitions and Competitive Intelligence.

Richard Bateson appointed Jumbo Interactive Chief Commercial Officer -North America



Richard Bateson has joined the company as Chief Commercial Officer and Head of North America, reporting to Mike Veverka, the Founder and CEO of Jumbo. Richard has worked in the lottery industry for nearly 20 years. Prior to joining Jumbo Richard worked at Camelot UK Lotteries Ltd. and Camelot Global Services Ltd. in various roles including UK Marketing Director, UK and International Commercial Director – and most recently Senior Vice President International. Richard was also a Board Director of EuroMillions and active in both the European and World Lottery Associations.

Richard, commenting on his new appointment, said “I am delighted to join Jumbo at such an exciting time for the company and the industry. The new Jumbo lottery platform is truly amazing and has tremendous potential in the Americas. I am looking forward to working with Mike and Jumbo’s Executive Team in developing Jumbo’s North American business.”

Mike Veverka, responding to the appointment said “Richard has proven over the years his ability to deliver major projects, and business, across B2B and B2C and has the exact skills that Jumbo needs to grow to the next level. I am delighted that Richard will join our Executive Team and develop our North American business.” Richard Bateson will work with Brian Roberts, President North America.

In 2000, Jumbo sold its first lottery ticket on the internet and witnessed a dramatic rise in popularity due to the convenience of buying tickets online. The Company operates the popular website www.ozlotteries.com in Australia under agreements with Tabcorp.

JOB: NFL Vice President of sports betting

The NFL’s complicated relationship with sports wagering is about to get more complicated. The league office is looking for a V.P. of sports betting. The job description focuses on four primary duties: (1) continuing to protect the integrity of the game; (2) advancing the NFL’s brand and reputation; (3) driving fan engage-

ment globally; and (4) growing the value of the NFL’s data and intellectual property. That last part is a fancy way of saying “maximize the revenue” related to gambling.

COMPANIES

Scientific Games WAVE™ Retailer Terminals Will Power 100,000 Points Of Sale Worldwide



The latest generation WAVE retail terminal and applications were exclusively selected to maximize sales in some of the industry’s largest lottery and sports betting procurements of 2019, including for pari-mutuel games (GNTN) operated by SISAL in Italy, as well as for the 10-year sports betting concession in Turkey and the 10-year Turkish National Lottery concession. Italy will represent one of the largest lottery terminal point-of-sale networks in the world.

Scientific Games launched its newest hot slot, Ultra Hot Mega Link™

As a follow-up to the Company’s top-performing series, Ultimate Fire Link®, this new series features an Ultra Hot Mega Link Feature where Fireball symbols lock in place and award free spins. During the free spins, Fireballs locks in place to unlock a new row. As rows unlock, credit values and jackpot levels increase. The excitement really fires up when one or more Ultra Hot Fireball symbol lands on the reels adding credits, or even a Mini Jackpot, to up to five other unlocked Fireballs around it, ultimately blowing up the size of the feature win.

Ultra Hot Mega Link is launching with two themes, Amazon and India, showcased on the top-performing TwinStar® Wave XL and TwinStar J43® cabinets. Two more themes – Rome and Egypt – will be coming soon.

Scientific Games and DraftKings Power New iGaming Experiences in New Jersey via OpenGaming™ Launch

The launch gives DraftKings players access to the Scientific Games’ entire library of U.S.-available titles, including player-favorite in-house developed titles and third-party games from partner studios through SG Digital’s Open Gaming System aggregation platform, part of the Company’s end-to-end OpenGaming product suite. OpenGaming ramps up the iGaming experience for DraftKings’ New Jersey players with cut-through features and player-favorite content from studios across the globe.

Scientific Games' New James Bond 007 Branded Games Off to a Blockbuster Start With 22 U.S. and International Lotteries Participating

Scientific Games has successfully extended the intrigue and excitement of the JAMES BOND 007 brand across its gaming entertainment ecosystem, including lottery, social and casino products. The lottery games coincide with the 25th James Bond film, No Time To Die, to be released in theatres globally starting April 2, 2020 in the UK and April 10, 2020 in the US. First to launch JAMES BOND 007 games were lotteries in Massachusetts, Maine, Pennsylvania, Israel and Switzerland. Thus far, three lotteries will sell the JAMES BOND 007 games to players both in retail stores and online/mobile.

IGT and Twin River reveal Rhode Island vision

Twin River Worldwide Holdings and International Game Technology have unveiled a new collaboration with the intention of working with Rhode Island policy makers on a variety of issues.

This includes maximising economic development, keeping IGT’s 1,100 jobs, increasing investment in Rhode Island through new construction at Twin River Casino Hotel in Lincoln, ensuring that the gaming floor and its slot machines continue to drive over \$300m per year to the state, minimising the risk of systems and technology conversions and enhancing Rhode Island’s gaming competitiveness with Massachusetts and Connecticut.

It is said that the net effect of these transactions would be the creation of a robust, three-way partnership among the state, IGT and Twin River that would benefit all Rhode Islanders.

The new joint venture, which would be a licensed VLT provider and supply the entirety of the gaming machines to the lottery, would be established with effect from January 1, 2022. IGT would gain a controlling 60 per cent stake in the new company, with Twin River owning the remaining 40 per cent.

The Rhode Island Division of Lotteries will continue to maintain oversight and regulation of all gaming, with all aspects of the lottery and gaming programs will continue to be state-operated.

The proposal would also see an 18-month \$100m-plus investment in the flagship Twin River Casino Hotel, which would add a 40,000 square foot addition to the first floor gaming space and removal of most of the slot machines on the second floor to allow for a new entertainment concept to be announced at a later date.

Furthermore, Twin river also states that it will commit to a 12,000 square foot headquarters in the City of Providence.

IGT Signs Multi-State Sports Betting Agreement with Delaware North Companies Gaming & Entertainment, Inc.

Under the terms of the agreement, IGT will provide Delaware North's West Virginia casinos Mardi Gras Casino & Resort in Cross Lanes and Wheeling Island Casino-Hotel-Racetrack in Wheeling Island with retail and mobile sports betting technology. IGT PlaySports technology will also power retail sports betting at Southland Casino Racing in West Memphis, Ark.

IGT Wins "Slot Provider of the Year" and its Fortune Coin "Best Slot Game" Awards During ICE 2020 London

IGT Selected for 2020 Bloomberg Gender-Equality Index

IGT is one of 325 companies across 50 industries selected for the 2020 Bloomberg Gender-Equality Index (GEI), which distinguishes companies committed to advancing women's equality and transparently reporting gender data.

The reference index measures gender equality across five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, sexual harassment policies, and pro-women brand. This year, Bloomberg expanded the eligibility for inclusion in the index to nearly 6,000 companies across 84 countries and regions.

Pollard Banknote Limited renews license of the Chevrolet® Corvette® brand



The renewal coincides with the release of the new 2020 Corvette® Stingray™, featuring the most innovative engineering since the debut of the first Corvette® in 1953. Since 2015, Corvette® has turbo-charged Pollard Banknote's sales driving portfolio of high-profile brands that appeal to existing lottery players and attract new brand-loyal players. In that time, lotteries have revved up their instant ticket portfolios with Corvette® to great success. Lotteries that have launched Corvette® appreciate the brand's widespread appeal and enthusiasm shown by players and retailers. Promotional events that feature a Corvette® on display generate buzz and excitement, making it easy for players to envision themselves behind the wheel. Under this renewal agreement, Pollard Banknote will continue to deliver captivating lottery scratch tickets that capture the luxury, power, and prestige of Corvette®.

Tune in to Pollard Banknote's Newest Licensed Brands - A Selection of Popular Classic TV Shows

Pollard Banknote is delighted to announce the addition of five classic TV shows—Beverly Hills, 90210, Happy Days, The Brady Bunch, Hawaii Five-0, and The Love Boat—to its portfolio of licensed brands. These nostalgic shows are an excellent addition to Pollard Banknote's suite of classic entertainment brands that have proven to appeal to instant ticket players' desire to revisit beloved series of times past.

Under the license of ViacomCBS Consumer Products, Pollard Banknote now offers a wide range of iconic brand assets for lottery use from these timeless programs, including character images and photos, quotes, logos, icons, and backgrounds. Ticket designs can feature a single show or mix and match assets to create unified ticket themes. To support strong sales and engagement, Pollard Banknote's Licensed Products team offers lotteries a comprehensive turnkey program that includes the design, programming, and printing of themed tickets, as well as various optional enhancements such as second chance draws, merchandise prize, a POS program, and digital marketing.

Szrek2Solutions Partners with EquiLottery Games to Provide Random Outcomes for Sports Based Games



Szrek2Solutions announced that EquiLottery Games and their technology partner Tournament One have contracted to use Szrek's RNG solution for EquiLottery Games' new innovative lottery games based on live sporting events. This new platform allows players to bet on randomly selected outcomes for professional baseball, basketball, football, and hockey games along with other team sports in the future. Szrek will provide its secure solution for randomly selecting and verifying wagers: Trusted Draw™ Electronic Draw System and Trusted Audit™ real-time verification system to ensure randomness of outcomes and integrity of the results.

Szrek2Solutions' Electronic Draw Solution launched by Florida Lottery

Florida Lottery has launched Szrek's Electronic Draw Solution for transparent random number generation for its Raffle and Second Chance games, in partnership with IGT Corporation. The move to using Szrek's System will continue to ensure utmost draw security and provide the Florida Lottery with a state-of-the-art EDS. Szrek has deployed its complete draw solution consisting of Trusted Draw™, to perform secure and easy-to-manage draws, and Trusted Audit™, for integrity verification. For Raffle and Second Chance Games, Trusted Draw selects up to 25,000 winners from an input file that handles up to 200 million records, completing a draw with very complex rules within seconds. The Szrek system also ensures cryptographic randomness of all draw results and draw nonrepudiation. As part of the random number generation, Trusted Draw creates proof of draw integrity, which is verified by the independent Trusted Audit system to detect any integrity issues like hardware or software errors or fraud.

GENERAL NEWS

Fantasy sports are ruled illegal gambling in New York

A New York appellate court ruled that fantasy sports contests -- such as those operated by FanDuel and DraftKings -- amount to illegal gambling and violated a state prohibition on gambling. The court upheld a lower court's ruling that the New York State Legislature unlawfully authorized the activity by classifying it as a game of skill, not a game of chance.

New York: Draft Kings, Fan-Duel ruled game of chance, NOT games of skill

For proponents of sports betting and fantasy sports, a court ruling Thursday in New York is a nightmare. Gov. Andrew Cuomo signed the 2016 law that granted the New York State Gaming Commission, which regulates such online games, to issue temporary permits to five fantasy operators: DraftKings, FanDuel, Yahoo, FantasyDraft and Draft.

New York is not alone in seeing fantasy sports as a form of sports gambling. While 21 states currently have legal gambling or have passed bills for legalized gambling, according to Legal Sports Betting, five other states ban or have no daily fantasy operations: Oregon, Idaho Montana, Nevada and Arizona. Some states, such as the gambling capital of America, Nevada, have no fantasy operations because it is seen as gambling and as a gambling operation, a company such as DraftKings would require a state gambling license.

New York does allow sports betting but only at its casinos in the Finger Lakes, the Capital region, Catskills and Southern Tier, as well as the state's seven Native American casinos. A spokesman for Attorney General Letitia James said staff are reviewing the decision and haven't decided whether it will be appealed to the state's highest court, the Court of Appeals.

FanDuel said in a statement, "We expect that there will be an appeal and we'll be able to continue to offer contests while that appeal is decided." DraftKings also issued a statement saying that "the legislative action authorizing fantasy sports in New York was constitutional and in the best interests of taxpayers and fantasy sports fans."

Missouri Considers Royalty Fees

Online sports betting in New York could be the best news yet for the national market. Two proposals in Missouri could set the market in the opposite direction.

The Missouri House and Senate are considering bills that would mandate sports betting operators give 0.25% of handle to the leagues that organize the events. The off-the-top fee doesn't seem like much, but in a low-margin industry such as sports betting, any extra fee could have a devastating impact on operators' bottom lines.

Not surprisingly, gambling interests have fought vociferously against the royalty fee mandate in every statehouse. Lawmakers were understandably skeptical to begin with. The fees for the leagues mean less revenue going to state coffers. Not surprisingly, none of the 22 jurisdictions taking bets or set to do so have included royalties in their legislation.

Governor Says Sports Gambling Coming to Ohio Soon

There are two bipartisan bills that would allow sports betting in Ohio, but neither have had hearings since November. Still, Governor DeWine says he expects something will pass soon.

Bulgarian Cabinet backs gambling bill banning private lottery games

New group starts ad campaign challenging how much Oklahoma casinos are giving back to the state

Gov. Kevin Stitt wants a bigger piece of the cash pie. And now a new ad is out in favor of the state's position. "Oklahoma casinos share just 1/4 of what the surrounding state casino's share. That's not fair," said the ad from a group called "Oklahomans for Fairness." The Oklahoma Indian Gaming association (OIGA) said the ad is misleading because it doesn't show the difference between the exclusive fees the tribes pay, and commercial rates paid in other states.

Though the decision on the gaming compact will be decided in federal court, political analyst Tim Gilpin says these ads change things going forward.

"We've now entered a whole new dimension to this argument," he said. "Before it's more of a legal argument. What did the compact say or not say and let the courts decide."

The new organization said the ads are not being paid by the governor or related to any other state powers. President Jonathan Small is part of the Oklahoma Council of Public Affairs, but said this new group is unrelated. Gilpin said this legal battle is now becoming more of a fight for public opinion, with ads playing for both the tribes and this mystery group.

Massachusetts: Mashpee Tribe Back in Court to Fight the terms of the Indian Reorganization Act (IRA) of 1934 and for Sovereignty and \$1 Billion Genting-Backed Casino

The Mashpee Wampanoag tribe had its day in a federal appeals court Wednesday, as its lawyers argued for the tribe's right to self-governance and to build a \$1 billion casino in Taunton, Massachusetts. The tribe is hoping the court will overturn a 2016 ruling that upholds the terms of the Indian Reorganization Act (IRA) of 1934 and deny its right to sovereignty. In 2015, the Obama administration took 321 acres of land in Mashpee and Taunton into trust for

the tribe. This describes the process where the federal government partially removes a parcel of land from the jurisdiction of a state to create a sovereign reservation. But the decision was challenged in court by a group of Taunton property owners. The 2016 ruling by US District Judge William Young sided with the property owners, citing a 2009 Supreme Court judgment known as the Carcieri Decision. This determined that land could not be taken into trust for tribes that had been recognized by the federal government after the enactment of the Indian Reorganization Act (IRA) of 1934. Young sent the case back to the US Interior Department for reconsideration. In 2018, it reversed the Obama-era decision, depriving the tribe the right to circumvent the Carcieri Decision and required them to abide by the terms of the IRA.

Misguided sports-betting bill garners opposition in state of Washington

The emergency amendment preventing a referendum seems destined to be challenged in court. The bill was passed under the guise of being an "emergency", and is being challenged because there is no emergency and especially so since the state will derive no direct tax revenue from the tribal casino activities which are given an exclusive authority to operate sports betting. The legislation would limit any sports gambling to be within tribal casinos, of which there are 29 operating within the state of Washington. If lawmakers are determined to bring Washington into America's emergent sports-gambling landscape, they must also acknowledge that tribal casinos have grown into robust economic engines. The fresh revenue stream of running a sportsbook should be shared with the free market and the state-owned Lottery, where it can be taxed.

Maine Senate votes to override Gov. Mills' veto of sports betting bill

The state Senate voted 20-10 Thursday to override Gov. Janet Mills' veto of a bill to legalize sports betting. The measure, passed by the Legislature in 2019, would open the door to both in-person and online sports betting in Maine, but the House will also have to vote to override, which requires a two-thirds majority, for the bill to become law, which could take place next week.

MLB Could Ease Sports Betting Regulations Against Team Owners Who Control Casinos

Major League Baseball (MLB) is considering changing its sports betting regulations that cur-

rently prevent team owners who also control a casino sportsbook from taking wagers on their franchise. MLB had for decades barred team owners from controlling or operating a casino business. The league has relaxed its opposition to the gaming industry in the wake of the May 2018 Supreme Court decision that struck out the federal ban on sports betting. With the gambling activity expanding across the country, MLB, as well as the NFL, NBA, and NHL, have begun embracing the potential benefits of affording fans added reason to tune in to their games. However, MLB still prohibits owners with casinos from taking action on their teams.

Super Bowl wagering drives NH Sports Betting net profit to more than \$1.2M in January

NFL Inches Toward Stadium Sports Betting as Sportsbook Sponsors Permitted

The betting lounges may start to appear in some stadiums as early as the upcoming season. The stadiums must be in the 14 states where sports wagering is already allowed. Eligible NFL teams can select a sportsbook sponsor and have sponsor's signs appear in the stadium.

Sports betting could be operational in Illinois in March

Pennsylvania Lottery says growth of skill games could lead to \$200 million decline in profits

Pennsylvania State Police officials have flatly stated that "illegal gambling is not a victimless crime," and we are seeing evidence of that daily. And the proliferation of so-called skill games at Pennsylvania Lottery retailers are having an impact on the lottery's ability to generate revenue to pay for programs for senior citizens. Lottery Executive Director Drew Svitko told lawmakers skill games could lead to a \$200 million decline in scratch-off ticket sales this year. That's on top of a \$115 million hit last year. Svitko attributed the higher projection to the rising number of lottery retailers having at least one skill machine on their premises.

Colorado inches closer to legal sports betting with first licenses set to be issued next week

House and Senate leaders in Florida are continuing to huddle

on a sweeping gambling deal that could open the door to sports betting in the state

Wyoming Bill Would Regulate Sports Betting by 2021

AGEM and AGA partner to combat Unregulated Gaming Machines In U.S.

The Association of Gaming Equipment Manufacturers (AGEM) and the American Gaming Association (AGA) will work together to highlight and combat the rapid spread of unregulated gaming machine activity in states throughout the U.S.

Chicago Mayor Lori Lightfoot's revised gambling pitch envisions \$1.2B in revenue for city casino

Macau's US-listed operators could face US\$2 billion hit to cash flow from Coronavirus

Macau's four US-listed casino operators – Las Vegas Sands, Wynn Resorts, MGM and Melco Resorts – could face a US\$2 billion hit to their cash flow as a result of reduced Macau visitation caused by the Coronavirus, according to ratings agency Fitch. However, the quartet should be able to comfortably withstand such impact due to ample debt capacity and the absence of any major maturities in the coming 12 months.

Poll: Overwhelming support for lottery among Alabama voters

Asked if they would support or oppose establishing a state lottery, 80% of those surveyed said they support it. Eleven percent were opposed and 9% were undecided. Whether they get to vote on the required constitutional amendment to establish a lottery is now in doubt, at least for this year.

Bill would launch Alaska state lottery through new corporation

Gov. Mike Dunleavy bill would create a new state corporation to oversee the lottery. The Alaska Lottery Corporation's board of directors would have seven members, all appointed by the governor.

WORLD NEWS

CAMELOT begins next phase of healthy play training in retail

CAMELOT

Camelot, operator of The National Lottery, has started the next phase of its 'Being A Responsible Retailer: Supporting Healthy Play' retailer training, following a two-year research and development period and its initial rollout last year. As part of the next phase of the programme, Camelot retail partners will receive face-to-face refresher training together with a new 'Supporting Healthy Play' leaflet outlining some key aspects of the training.

Camelot named as a top company in The Sunday Times Best Companies To Work For 2020

CAMELOT

Camelot UK Lotteries Limited ('Camelot'), operator of The National Lottery, last night placed 35th in The Sunday Times Best 100 Mid Companies 2020. In awarding Camelot its place, Best Companies and The Sunday Times said: "Camelot's primary purpose to "change lives" is double-edged. Life certainly changes for its champagne-popping lottery winners [and] Good Causes receive an average of £30m a week, helping millions more. Nigel Railton, the chief executive, leads the organisation based on sound moral principles and inspires his team. Staff are happy with their work-life balance and feel they can make a valuable contribution to the success of the business."

SAZKA Announce Kenneth Morton's Appointment to CFO

Morton is the former head of corporate finance for KKGK—a private equity company founded by Czech billionaire Karel Komarek, the key investor of SAZKA group. As an executive of KKGK, Morton is reported to have orchestrated a number of SAZKA group investments which saw Komarek's fund take over the Czech gambling group's ownership in 2019. Closing trading in 2019, SAZKA Group CEO Robert Chvátal confirmed to the media that Sazka would be participating in the 2020 tender by the UK government, bidding for exclusive rights to operate the National Lottery in 2023.

Gambling firm owned by one of Czech Republic's richest men is preparing a bid to run National Lottery

Oil and gas tycoon Karel Komarek's Sazka Group already runs lotteries in Greece, Italy, Austria and the Czech Republic. Komarek started out in business investing in oil and gas in the Czech Republic after the Velvet Revolution in the 1990s and has amassed a £2.5 billion fortune. He founded Sazka Group in 2016 and it has since become one of Europe's biggest lottery operators. In 2018, almost 80 million players placed more than £14 billion of bets across its lotteries and its other sports betting brands. A source close to the competition described Sazka as the 'dark horse' among the frontrunners to bid against Camelot.

Francaise des Jeux, the newly privatised French state lottery operator, and the former media baron Richard Desmond are also understood to be in the running.

Desmond, who operates the Health Lottery through his Northern & Shell group, has said his bid will take the National Lottery 'back into British hands'.

The contest is set to launch in the first half of the year when the Gambling Commission regulator will question interested parties to check they are 'fit and proper' operators.

Backlash Against UK Gambling Provides Cautionary Tale for US Sports Betting Market

Britain's National Health Service (NHS) recently joined the growing chorus of anti-gambling rhetoric in the UK. In a letter sent to five of the largest UK operators, the head of mental health services in England, Claire Murdoch, said the link between betting and mental illness was "increasingly clear." Murdoch called for an end to free bets, saying they drew people back into "the vicious gambling cycle, which many want to escape." The letter was sent to the CEOs of William Hill, bet365, GVC, Betfred and Flutter. All of those companies are expanding operations into the nascent US market as well.

What does this mean for the US? Sports betting is a shiny new toy with mushrooming revenues. But as highlighted recently, a focus on sustainability in the short term may pay dividends for the entire industry in the long run.

Murdoch also highlighted the recent controversy around live streaming, where some FA Cup soccer matches were only available to view via bookmaker websites.

She added: "The links between the sporting industry and gambling are deeply disturbing, and

the tactics used by some firms are shameful."

Industry trade body Betting and Gaming Council (BGC) released a letter of its own in response to the NHS. It outlined some of the recent strides made around problem gambling and proposed a meeting with Murdoch.

The letter is the latest attack on the gambling industry following the streaming row and a ban on credit card betting also announced earlier this month.

As the BGC noted, the industry underwent a major transformation in recent years. This includes advertising restrictions, more funding for problem gambling treatment and the development of algorithms to identify at-risk players.

How will the credit card ban affect the online gambling industry in the UK?

The recent announcement by the Gambling Commission (UKGC) that gambling firms & UK-based betting websites will no longer be able to accept credit card payments from customers in the United Kingdom is a landmark decision for the industry. The ban, which will come into force on April 14, is being implemented to provide an additional level of protection to vulnerable people. It is the latest in a series of legislative changes to be introduced that are designed to ensure that the UK gambling industry is seen to operate in a fair manner.

Studies have shown that 800,000 consumers in the UK used a credit card for gambling during 2018, with almost a quarter of those classed as problem gamblers, highlighting why the UKGC has introduced the new rule.

Research by the Royal College of Psychiatrists says that gambling is a problem for approximately one percent of the population in the UK. While this is a relatively small amount in the grand scheme of things, it is a figure that many organisations have expressed a desire to see reduced even further.

Most betting websites in the UK will continue as normal, with gambling firms still able to offer many other popular payment methods to their customers. Punters can still bet with payment methods like Boku and many others that are easy-to-access, providing the funds do not come from a credit card.

England Issues a New Report on Loot Boxes & Gambling

It appears the era of loot boxes may be coming to a close within the next few years, and England has a new report on them tied to gambling. The report published by Claire Murdoch, the mental

health director of England's National Health Service did a study on the subject and said that the transactions are an "under the radar" form of gambling. The report came with an assessment of the situation and suggestions of what to do to end it. here's a snippet from the report.

UKGC Defends Regulator's Efforts at CMS Gambling Conference

The British Gambling Commission boss has spoken at the CMS Gambling Conference, hailing the regulatory efforts made so far and putting the onus on operators to be more pro-active in resolving the industry's current problems.

UK Gambling Commission Neil McArthur has praised the efforts of the regulator, arguing that despite mounting criticism, the British gambling watchdog has been one of the most pro-active overseers of the gaming sector. McArthur responded to criticism from all parties during his CMS Gambling Conference speech explaining that the Gambling-Related Harm All Party Parliamentary Group, which has been actively lambasting the UKGC over 'failures to enforce player security,' was not true.

Addiction and neglect, McArthur said, were the two things he understood well, citing his career as a local authority child protection lawyer, giving him unique insight into what they can bring upon a family and society as a whole.

Even then, McArthur acknowledged that the Commission still had a long way to go, but he added that many operators had the answers to questions that have been discussed over and over again. McArthur also explained why the regulator had to toughen regulatory measures by so much in 2019:

"We did that because we needed to significantly change the behavior of operators and those who run them. There were far too many failures, too many repeated instances of lessons not being learned and – frankly – standards were not good enough. I realize that each press release we put out adds to the weight of negative stories, but it's not my job to create positive stories or suppress bad news stories."

He acknowledged that the current rate of problem gamblers in the UK, cited at some 300,000 people, was unacceptable. McArthur did say that CEOs are committed to making gambling safer, and that he welcomed the move. He cited current efforts with multiple companies, such as Sky Betting and Gaming, Playtech, GVC Holdings and SG Gaming, and the establishment of three industry working groups specifically designed to address pressing issues in the gambling sector.

Overall, McArthur said, all projects and initiatives kickstarted by the Commission had the sole purpose of enhancing player safety plan

and simple. The UKGC chief also welcomed the opportunity to make more headway in bolstering the overall security of the sector. Still, a lot of work has to be done and as McArthur noted himself, operators need to step up.

New Rules for Gambling in Bulgaria

The bill establishing a National Gambling Agency, which replaces the State Gambling Commission, has been published for discussion, BNR reported.

The change is in line with European practices, according to the reasons given by the Ministry of Finance. The aim is to harmonize tax and licensing policies for all business participants. Prime Minister Boyko Borissov said there was no connection between the financing of Levski football club and the report of the state financial inspection, according to which more than EUR 100 million were not received in the treasury due to different treatment of the lottery operators. Borissov described the allegations of nationalization of private lotteries as "deeply false" and urged them to pay the corresponding license fees.

Lotto Brandenburg in Germany was among the first operators in Europe to select next generation WAVE technology, which rolled out in 2019.

Pat McHugh, EVP and Group Chief Executive, Lottery for Scientific Games, said, "In 2019, WAVE made its biggest impact in the industry to date. The WAVE was selected by lottery and sports betting operators who understand that strategic investment in retail innovation drives profits."

McHugh shared that WAVE terminals consistently receive the highest technical score in procurements due to its advanced feature set, speed, reliability and increased operator productivity that can drive both retailer and operator profits. Scientific Games' flagship family of high-performance, high-volume WAVE retailer terminals are offered as a suite of products to serve a variety of different retailers.

Marco Caccavale, Managing Director of the Lottery business unit of SISAL, said, "The unique combination of Scientific Games' laser sharp operations team and their innovative product portfolio helped SISAL achieve the best technical score possible on the license tender in Italy."

Caccavale also said that SISAL, part of the winning joint venture for the 2020 Turkish National Lottery launch, selected the WAVE as "the best possible option for the high-profile project in Turkey."

Anja Bohms, Managing Director for Lotto Brandenburg in Germany, said, "Scientific Games is a proven innovator of lottery point-of-sale technology and continues to advance the lottery retail environment. We chose the WAVE terminals because they are built for the future, they are an excellent overall technology fit for our retailers and the best value for the Lottery."

Sinan Oktay, Board Member of Şans Dijital, part of the joint venture operating sports betting in Turkey said, "We value Scientific Games' commitment to maximizing returns to the Turkish government, and we look forward to our long-term partnership with one of the world's best gaming entertainment companies."

Currently the largest lottery technology provider in Europe and the fastest growing in the U.S., Scientific Games provides games, technology and services to more than 150 lotteries in 50 countries.

Tabcorp 'unlikely' to bid for UK lottery licence

Australian gambling giant Tabcorp is disinclined to launch a bid to become the next operator of the United Kingdom's national lottery ahead of the bidding process kicking off this year. The British Gambling Commission appointed investment bank Rothschild to engage with potential bidders interested in taking over the licence to run the national lottery when it expires in 2023. Interested companies had been given until January 22 to respond to a consultation ahead of the start of the tender process.

Sources familiar with the matter on Tuesday indicated Tabcorp was "unlikely to participate" and was more focused on priorities in Australia. One domestic priority for Tabcorp is the Western Australian TAB, gaming analysts said, after the WA government launched a process to privatise it in September. Tabcorp is considered the most logical contender for the licence but will face competition from foreign-owned online wagering companies operating in Australia.

Morgan Stanley analyst Elise Kennedy said a successful purchase of the WA TAB by Tabcorp seemed plausible, "as it is the only reported bidder with an existing retail footprint in Australia, and it stands to have the most financial benefit".

ASX-listed Tabcorp recently merged with Tatts Group to become the nation's largest gambling company, holding licences for lotteries and retail betting in every state and territory except WA.

As well as overseas lottery licences, Tabcorp has been eyeing possible moves into the United States after a recent Supreme Court ruling cleared the way for the opening of hugely lucrative new wagering markets. Some estimates suggest American punters placed up to \$US195 billion

a year on underground sports betting nationally. Several state jurisdictions, including New York, New Jersey, Delaware, Oregon and Rhode Island, have already moved to permit wagering to varying degrees since the court's decision.

In the UK, parties in the running for the licence to run the national lottery for the next seven to 10 years include Canada's Camelot, which has operated the lottery since its inception in 1994, British billionaire Sir Richard Branson and Novamedia, which runs the People's Postcode Lottery.

Artificial Intelligence can Step Inside Legal Sports Betting now

Sports betting is now legal in various parts of the world. Sports lovers are now placing bets without hiding from the legal authorities. They are now betting on their favorites games and earning a huge amount of money.

People involved in sports betting need to have good technical data; and artificial intelligence in sports betting can provide it with better accuracy. There is a lot of information and data involved in the legal sports betting, and people need to go through it before placing bets. Sports leagues around the world give their data to the bookmakers to promote legal betting.

To promote legal betting, artificial intelligence is also helping in sports betting data analysis. AI can implement machine learning in sports betting for the prediction and following of game rules. It can work smoothly in football prediction because this game has a specific set of rules that continuously repeat themselves.

AI can include the data of many sports videos into its algorithm for a better understanding of the patterns. These patterns further can be used to predict a game result on sports betting website. AI can provide a better prediction of the result in a real-time. The machine learning feature of AI sets mathematical formulas to analyze the complex formation of data. In legal sports betting, AI goes through many factors such as players' performance, team information, and other things.

Implementation of Artificial intelligence in sports betting can revolutionize the global sports betting market to a great extent.

New changes to EuroMillions lottery

Amongst the new changes are more big money payouts and the maximum prize has also increased. New lottery rules which come into force this week mean lottery players could win much more money on the EuroMillions with the potential maximum jackpot going up to €250million. Lottery organisers say the changes are the biggest since 2016 because more money is

PGRI LOTTERY EXPO NYC 2020

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LOTTERY EXPO
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SEPTEMBER 22 TO 24
HOTEL VENUE TBD
NEW YORK CITY

SEPTEMBER 22, TUESDAY:
OPENING NIGHT RECEPTION

SEPTEMBER 23,
WEDNESDAY:
CONFERENCE SESSIONS
FOLLOWED BY RECEPTION

SEPTEMBER 24,
THURSDAY:
CONFERENCE SESSIONS
CONCLUDE AT 1:00 PM.,
FOLLOWED BY RECEPTION

SEPTEMBER 24,
THURSDAY: 1:30 PM TO 4:30
PM: WILL

SEPTEMBER 24,
THURSDAY: 4:30 TO 6:30
PM: WILL RECEPTION

LOTTERIES RESHAPE THE GAMES-OF-CHANCE INDUSTRY

PGRI Conferences are about pushing fearlessly into a future that is rich with opportunity. Team Lottery is keeping up with a consumer that expects more than ever, and a competitive environment that is changing rapidly to meet those expectations.

WOMEN'S INITIATIVE IN LOTTERY LEADERSHIP (WILL)

Following PGRI conference, beginning at 1:30 pm on Thursday, right after lunch, is a 3-hour session led by Rebecca Hargrove, with panel discussions, audience participation, and special keynote speakers. We look forward to an exciting session, and hope to see you all there!

■ CONFERENCE INFO & DETAILS: WWW.PUBLICGAMING.ORG
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SPOTLIGHT ON THE LEADERS OF THE GOVERNMENT-GAMING INDUSTRY

It's the collaboration between operators and their commercial partners which drives innovation and progress and makes this industry work. PGRI endeavors to support and nurture that relationship, confident that together we can all build successful businesses that meet the needs of our stakeholders and customers. The leaders of the commercial community play a vital role in our industry and we are thankful for their invaluable contributions to the exchange of ideas that happens at PGRI conferences, and all industry events and conferences. Their products and services are the result of a tremendous investment in R & D, and their insights and capabilities are informed by a deep experience in all aspects of the lottery business. Following is their story. Please also visit the conference website (www.PGRItalks.com) to see their presentations from PGRI conferences.

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Pollard Banknote partners with lotteries around the world to create and market high-performing instant games and solutions that excite and engage players. Focused on innovating within the lottery market, we also provide industry-leading retail and digital solutions.

Our team is dedicated to delivering on three key dimensions for success: outstanding games that excite loyal players and attract new ones, retail excellence through effective in-store strategies and retail network expansion, and digital innovation that allows lotteries to connect with players in new ways.

Our affiliated companies include:

- American Games and International Gamco specialize in charitable and alternative gaming products;
- Schafer Systems offers a full range of retail merchandising solutions, from instant ticket dispensers and lottery play stations to menu boards and point-of-purchase displays;
- Diamond Game provides specialized ITVMs, digital game machines, and mobile devices designed to engage players in social establishments;
- Fastrak Retail provides lotteries around the globe with award-winning point-of-sale dispensing solutions and retail merchandising products;
- mkodo delivers world-class apps and digital user experiences for mobile, online, and retail environments in the betting, gaming and lottery sectors;
- and NeoPollard Interactive, our joint venture, provides online and mobile gaming products and services, including fully-managed e-commerce solutions, in the iLottery space.

All of our products and supporting services are designed with the express goal of elevating our lottery clients and creating the ultimate player experience. Our approach has resulted in some of the industry's most sought-after instant products, from the incomparable shine of Scratch FX® to the first-ever transparent ticket, Clear Play™, and our broad range of licensed games. Our retail optimization products include innovative in-lane sales solutions like scanACTIV™, retail point-of-sale merchandising solutions and products, and Diamond Game electronic ticket machines that open new retail channels. A full suite of digital products range from game apps and player engagement products including playON™ and gameON™ to Lottery Optimization Tools like sureTRACK™ and optiFORCE™ and a complete iLottery platform offered through NeoPollard Interactive.

Additional services we provide:

Product Category Management
Integrated Marketing Solutions
Market Research Services
Retail Development Services
Lottery Management Services

For more information contact:

Doug Pollard, Co-Chief Executive Officer,
dpollard@pbl.ca

John Pollard, Co-Chief Executive Officer,
jpollard@pbl.ca



INTERNATIONAL GAME
TECHNOLOGY PLC (IGT)
www.IGT.com

A global leader in lottery and gaming, IGT is uniquely positioned to deliver unrivaled gaming experiences that engage players and drive growth.

To support player-driven innovation and growth for our customers, we leverage a substantial investment in player insights, a wealth of premium content, operator experience, and leading-edge technology. Our gaming platforms and solutions are built to anticipate the demands of players around the world as their needs evolve, and to enable players to enjoy their favorite gaming entertainment across all channels and regulated segments.

Lottery – IGT's pioneering and award-winning solutions encompass all aspects of the lottery business, from the player experience to portfolio optimization and retail management. We continually refine and optimize our systems and tailor distinctive game content to the unique needs of local players in order to help our customers strengthen their relationship with the players they serve.

Gaming – We deliver dynamic systems, gaming machines, and other growth-driving innovations to gaming venues around the world. IGT's distinctive systems solutions give operators the control and flexibility they need to optimize their gaming floors and cultivate player loyalty programs, while our gaming machine content and electronic table games help operators differentiate their offerings.



Houston, have you seen the latest issue of Public Gaming Magazine?

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**INTERNATIONAL GAME
TECHNOLOGY PLC (IGT)**
www.IGT.com

Digital – The IGT PlayDigital team is dedicated to innovative play in an advanced digital format for every existing and emerging gaming segment. From content to systems to services, our complete digital portfolio is integrated, modular, and flexible to help our partners drive incremental growth. We supply digital-to-retail solutions from an expansive library of digital content, as well as the operating systems used to connect and manage the digital player experience, artificial Intelligence to provide analytical insights, and a growth-generating remote game server (RGS) with integrated marketing and business tools. Our digital solutions support retail to mobile solutions that drive the growth of lottery, casino, and digital operators.

Sports Betting – The IGT PlaySports group provides a unique sports platform and portfolio covering all aspects of the sports

betting business, created specifically to meet the needs of U.S. casino, tribal, and lottery operators. Meeting unique regulations for every market, the platform is robust, handling billions of bets through retail, mobile, and self-service technology. The company's singular focus has helped our partners quickly launch and grow their sports betting operations.

IGT has a well-established local presence and relationships with governments and regulators in more than 100 countries around the world. We help redefine markets, transform businesses, and create value by adhering to the highest standards of service, integrity, and responsibility. IGT's commitment to responsible gaming reflects our core values and is woven into the fabric of our product development, services, programs, and policies. IGT became the first lottery vendor to receive the World Lottery Association's Responsible Gaming Standards for Associate Members, covering IGT's lottery and digital operations. IGT also became the first gaming vendor in the world to achieve Responsible Gaming accreditation from the Global Gambling Guidance Group (G4) for both its gaming and digital operations.

In 2018, IGT joined the United Nations Global Compact network, the world's largest

corporate sustainability initiative, to align strategies and operations with universal principles related to human rights, labor, the environment, and anti-corruption. We also support the United Nations' Sustainable Development Goals (SDGs). The SDGs and their specific targets refer to the 2030 Agenda for Sustainable Development, a 15-year plan to end extreme poverty, fight inequality and injustice, and protect the planet.

IGT is dedicated to creating a fair and inclusive culture that values unity, diversity, and belonging in our people, players, customers, and communities. We are home to five diversity and inclusion groups, which provide engagement and development opportunities for employees. IGT is one of 325 companies across 50 industries selected for the 2020 Bloomberg Gender-Equality Index (GEI), which distinguishes companies committed to advancing women's equality and transparently reporting gender data.

IGT has approximately 12,000 employees and nearly \$5 billion in revenues, and is listed on the New York Stock Exchange under the ticker symbol IGT. *To learn more about how IGT delivers entertaining and responsible gaming experiences for players everywhere, visit: www.IGT.com*

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EQUILOTTERY GAMES®
www.EquiLotteryGames.com
HOW LOTTERIES PLAY SPORTS™

Featuring official licenses from Major League Baseball and the National Basketball Association

For the first time in decades, a new game category is beginning to flourish in the U.S. lottery industry. Lottery games based on live sports will engage existing players while also bringing new lottery players into the fold. Our year-round team sports 10-game parlay card features official licenses and live game action from iconic sports leagues Major League Baseball and the National Basketball Association. Win Place Show, our three number live horse racing lottery game, is set to premiere on April 26th, through all 3,400+ Kentucky Lottery retail outlets.

According to in-market results and multiple market research studies, our live sports lottery games will create new revenues by adding new players to your core player base. Adding these players means EquiLottery Games provides your lottery with new draw products that will increase overall returns to your state's "good causes" portfolio.

Contact Brad Cummings for more information on how our games are played and integrated into your existing draw game system: brad@equilottery.com

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Instant Win Gaming (IWG)
www.instantwingaming.com

Instant Win Gaming (IWG) is the leading supplier of iLottery instant win games to state, provincial and national lotteries. In total, we have supplied hundreds of our award-winning games to over 21 NASPL/WLA members. We have been supplying content and supporting services to our customers for 15 years, starting with Camelot in the UK, and now supplying our games to customers throughout the United

States, Canada, Europe, and New Zealand.

We have been involved in several full online launches and are a trusted strategic partner helping our customers deliver, manage and promote successful and reliable content roadmaps that help grow player bases to their full potential and drive sales. Our experience covers traditional retail as well as online with some of our key online brands being used in traditional offline channels.

The IWG studio is regarded as one of the very best in the world with an established and growing team of experienced and knowledgeable product designers, game artists, animators, technical developers and QA experts. Our team and processes are designed to help develop our own library of content and to help us achieve and maintain

long term scale, meeting the growing demands of our customers worldwide. IWG also has a proven track record of delivering custom content for all our customers, from recreations of retail scratch cards to new product development with a research and development focus.

We are integrated with every key lottery and commercial platform in the industry and have become highly efficient at delivering our games in a robust and reliable way meeting the requirements of customers and their players. Our growing list of game mechanics are suited for the widest range of players, from Quick Play Engagement games to Extended Play games and everything in between.

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INTRALOT
www.Intralot.com

INTRALOT, a public listed company established in 1992, is a leading gaming solutions supplier and operator active in 48 regulated jurisdictions around the globe, with a global workforce of over 5,200 employees in 2019. Based on its strategic approach **“i-shapes the future”**, INTRALOT is committed to Modernize Lotteries in a Digital World by delivering innovative lottery and sports betting solutions shaping the future of gaming. The company invests in developing next-generation products focused on players' experience, the trends of the world-wide gaming ecosystem, and the efficiency of its operators to provide engaging players' entertainment while driving its customers' growth and their contribution to good causes.

INTRALOT has an established presence in the USA market through its subsidiary INTRALOT USA, employing more than 570 employees, and has secured 14 contracts - four of which are sportsbetting - in 13 jurisdictions nationwide to provide online systems and services, warehousing and distribution of instant tickets, and VLT/COAM monitoring. Currently, INTRALOT USA has with the state Lotteries in Arkansas, DC, Georgia, Idaho, Illinois, Louisiana, Massachusetts, Montana, New Hampshire, New Mexico, Ohio, Vermont, Wyoming.

As member of the UN Global Compact, INTRALOT is a global corporate citizen committed to sustainable development and an active proponent of the principles of Responsible Gaming, awarded with the renewal of the WLA Responsible Gaming Framework Certificate.

INTRALOT is the first international vendor in the gaming sector to be certified under the WLA Security Control Standard in 2012 while has been certified with the

ISO 27001 for its Information Security Management System (ISMS) maintaining the ISO 20000-1 certification on Information Technology Service Management.

Among other distinctions, INTRALOT has received the GOLD SEE G award by EBEN GR (European Business Ethics Network) for Business Ethics, Corporate Governance and Corporate Social Responsibility, while the Company's General Technical Division was awarded the Recognized for Excellence in Europe - 5 Stars distinction by the European Foundation for Quality Management (EFQM).

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SCIENTIFIC GAMES CORPORATION www.scientificgames.com

As a world leader in gaming entertainment and technology, Scientific Games' mission is to empower our customers by creating the world's best gaming and lottery experiences. Our casino, lottery and digital games reach players wherever they are, whenever they want to play, and in any channel they choose: retail, casino, digital or sports.

For more than 84 years through our acquired companies, Scientific Games has delivered what customers and players value most: trusted security, creative content and innovative technology. Beginning with the world's first slot machine, the "Bally Baby" in 1936, to our development of the world's very first secure lottery instant game in 1974, and our revolutionary SCiQ™ lottery retail ecosystem

in 2018, we are a trusted business partner to more than 1,500 customers around the globe.

Headquartered in Las Vegas, Nevada, with over 9,400 employees worldwide, Scientific Games serves our customers from manufacturing and commercial facilities on six continents. We offer a fully-integrated portfolio of technology, platforms, content, and services for the gaming and lottery industries.

Scientific Games' history of success has been driven by our highly experienced professionals who are committed to excellence. Our products have been developed by some of the world's top game designers, mathematicians, marketing research analysts and product managers.

We are an industry leader in developing and applying market research, analytics and consumer insights to gain a deeper understanding of player demand and preferences. As a result, we continue to generate new ideas and innovative gaming solutions that provide players with exciting experiences – and retailers with operational efficiencies.

Scientific Games is committed to corporate social responsibility, and we work closely with our customers, governments, regulators and

industry associations to support healthy play and responsible gaming.

We drive the global lottery and gaming industry forward by maximizing our customers' performance with a proven portfolio of products, technology and services featuring:

- Instant, draw and hybrid games
- iLottery
- Sports betting
- Digital 2nd chance games and promotions
- Licensed brands
- Loyalty programs + online rewards store
- Gaming systems technology
- Retail point-of-sale technology
- Mobile apps
- Internet platform + CRM
- Retail development programs
- Managed services

Visit www.scientificgames.com/lottery

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HOW LOTTERIES PLAY SPORTS™

In the future, lottery operations will be omni-channel and customers will do business with your lottery in the way they choose to do it. Sports betting and new multi-player games may well be at the forefront of a new way of playing the lottery on mobile phones, in social environments, on-line, or even at gatherings in their very homes. Players' devices will be interactive with television and computer screens. The traditional way of playing the lottery will

also exist at retail but the delivery of products will look nothing like it does today. We are at the very beginning of the transition from a world of atoms and physical delivery into the world of electrons and a digital delivery. This process will go on for many years, but the first step is the integration of your Central Gaming System (CGS) directly into the retailer's ePOS. Not only will this improve the operational efficiency of the retailer by reducing labor and shrink, but it will allow for a seamless delivery to the player in the channel they choose.

Our fully managed service offering includes:

- Lottery In-Lane, Self-Checkout, and Self-Serve
- Instant ticket sales and validation through our gateway
- Ticket by ticket delivery of instants where supported by your CGS
- Sports Betting where supported by your CGS
- Online delivery through e-commerce and mobile (where allowed by State law)

- Abacus games portfolio, including Bill Paid™
- Retailer loyalty solutions, follow-on promotions & second chance draws
- Dedicated management portal: control and monitoring of all services and reporting

Contact: Terry Presta, Head of Business - North America

Email: t.presta@abacus-bv.com
Telephone 001 913 908 0635

Contact: Simon Butler, CEO

Email: s.butler@abacus-bv.com
Telephone +44 7768 282638

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Camelot Lottery Solutions
CamelotLS.com

Engaging players, growing lotteries, benefiting communities

Camelot Lottery Solutions is the leading solutions and technology provider to lotteries around the world. With over 20 years' operator experience, we help

customers reach new players and deliver sustainable, responsible growth through leveraging data and digital technology, supporting channel delivery, and providing world-class gaming content.

Owned by the Ontario Teachers' Pension Plan and part of the Camelot Group of companies, Camelot Lottery Solutions has a track record of innovation and sustainable growth. We offer a wide range of services across all areas of the business, enabling our customers to tap into a wealth of lottery-specific expertise. Through technology, digital enablement, retail and marketing strategies, and world-class gaming content - all driven by data-led insights - we enable our customers to drive incremental growth

and meet the changing expectations of lottery players.

Our data and digital platforms and services power some of the most innovative and fastest growing digital lotteries in the world, including the Illinois Lottery, the UK and Irish national lotteries, and Loterie Romande (Switzerland). We are the integrated business manager of the Illinois Lottery and long-term strategic partner to the Arkansas Scholarship Lottery.

We have an unrivalled track record of delivering long-term digital and retail growth, supported by a history of integrity, security and transparency.

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Carmanah Signs
www.CarmanahSigns.com

Carmanah's retail marketing technologies and data insights help transform the player journey, deepen player insights, boost brand equity, and increase sales.

Carmanah Signs develops and delivers innovative jackpot signs, digital sign networks, interactive experiences, and retail sensors to the Lottery & Gaming Industry. Our software platform enables users to manage digital content and interactive experiences (including lottery, gaming, sports betting, monitor games, and more) from one central interface.

A leading supplier to the global Lottery Industry for over 20 years, Carmanah is the Lottery & Gaming Division of STRATACACHE, the world's largest provider

of intelligent digital media and in-store marketing technology.

Together, STRATACACHE and Carmanah have over 3 million digital media devices and 155,000 wireless jackpot signs at retailers globally, serving 55+ lottery jurisdictions and 700+ casinos on four continents.

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Grover Gaming
www.grovergaming.com

Grover Gaming, a leader in digital gaming design, systems and software development for the lottery and charitable gaming industry, is headquartered in Greenville, North Carolina with offices in six states. Grover Gaming specializes in digital gaming solutions in social environments throughout the United States and Canada. Grover Gaming's dedication to customer service, adaptability and a diverse range of products

has solidified its position as a leader in the electronic gaming industry.

Grover Gaming's fast paced growth philosophy is focused on developing a strong foundation of humble and passionate people, effective processes, and superior products. That vision continues, thanks to a growing team of dedicated employees and their desire to create innovative and entertaining gaming experiences for an ever-changing industry.

In 2019, Grover Gaming was recognized by Inc. Magazine's "38th Annual Inc. 5000" as one of the fastest growing private companies in America—an exclusive ranking of the nation's fastest-growing private companies. Grover Gaming's games are known throughout the industry for high-resolution graphics and exciting design. These innovative games are created by Grover Gaming's

design studios with over 160 talented professionals, including developers, artists, audio designers, programmers, and .net developers.

For more information contact:

Garrett Blackwelder – Founder and President
garrett@grovergaming.com

Tim Smith – Vice President tim@grovergaming.com

Scott Henneman – Vice President, Business Development/Govt. Affairs shenneman@grovergaming.com

Kevin Morse – Director of Business Development kevin@grovergaming.com

Grover Gaming, Inc., 3506 NE Greenville Blvd., Greenville, NC 27834

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INCOMM
InComm.com

By building more value into every transaction through innovative payment technologies, InComm creates seamless and valuable

commerce experiences. InComm's unique products and services – which range from gift card malls to enhanced payment platforms – connect companies across a wide range of industries including retail, healthcare, tolling & transit, incentives and financial services to an ever-expanding consumer base. With more than 25 years of experience, over 500,000 points of distribution, 386 global patents and a presence in more than 30 countries, InComm leads the payments industry from its headquarters in Atlanta, Ga. Learn more at www.InComm.com.

InComm Lottery Solutions designs, builds and markets state-of-the-art payment solutions for modern lottery gameplay. The InComm Lottery Solutions gateway connects state lotteries to consumers at retail, revitalizing and modernizing lottery through innovative point-of-sale activated products and solutions, prize redemption and digital account funding. Its secure, integrated platform provides seamless connectivity that benefits all stakeholders in the lottery landscape.

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LAZLO 326
PlayLazlo.com

As the U.S. Lottery industry entered the new century, digital formats, gaming systems and the internet became the primary source for shopping and entertainment for younger consumers. Research has indicated that

younger audiences are less likely to engage in lottery offerings and believe lottery is something that doesn't fit their lifestyle. New game styles, new promotional strategies, and new distribution platforms are required to attract broader audiences.

Lazlo™ creates a world where consumers can use their mobile phone, to buy lottery tickets at the register or in-lane and allows players to store their tickets and coupons on their phone the way they do photos, airline tickets and shopping lists.

Lazlo brings the lottery industry a new business model that provides lottery with a

new product distribution channel, motivates retailers promote lottery and leverages the marketing support from consumer package goods companies.

The Lazlo team includes professionals with vast experience in lottery, technology, retail, consumer products and marketing. Lazlo provides exciting game content, attracts new audiences and delivers products in a manner that is easy, safe and secure for lotteries, retailers, brands and consumers.

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SCA PROMOTIONS LOTTERY SOLUTIONS
SCAPromotions.com

With over 34 years of risk and budget management experience, SCA Promotions is the first company in both the private and public

sectors to underwrite a \$1 Billion prize. SCA has worked with lotteries for 20+ years and provides a portfolio of innovative budget management and risk mitigation services to meet unique challenges facing the lottery industry. Recently, SCA worked with the Texas Lottery Commission to extend their budget with a \$1 Million Retailer Bonus Program.

SCA's Promotional Prize Coverage enables businesses to offer millions of dollars in mega-prize cash and experiential rewards without the financial risk. With over \$210 Million in prizes paid, SCA is hailed by Fortune 100 and start-up companies alike, as the go-to resource for powerful promotional tools and innovative

marketing solutions.

In addition to Lottery Services, SCA's robust portfolio includes: Digital and Mobile Games, Engaging On-site Games and Events, Professional and Custom Services. SCA's extensive product line creates unique opportunities for organizations to attract, engage, and interact with consumers. For over three decades, companies and organizations around the globe have benefited from the increased ROI and brand awareness that SCA solutions offer.

SCA has offices in Dallas, London, Las Vegas, and Calgary, with global affiliate partners.

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MARCH 3 TO 5, 2020

THE EDEN ROC HOTEL
MIAMI BEACH HOTEL

Questions: Call or e-mail Paul Jason at 425-449-3000 or pgrijason@gmail.com
Visit PublicGaming.org for complete information, registration, hotel accommodations, conference updates, etc.

Visit www.PublicGaming.org for conference updates

Tuesday, March 3, 5:00 to 7:00 pm: Opening night reception

Wednesday, March 4, 8:30 am to 5:00 pm: PGRI Conference Sessions

Wednesday, March 4, 12:30 to 1:30 pm: Lunch

Wednesday, March 4, 5:00 pm to 7:00 pm: Reception

Thursday, March 5, 8:30 am to 12:30 pm: PGRI Conference Sessions

Thursday, March 5, 12:30 to 1:30 pm: Lunch

Thursday, March 5, 1:30 to 5:00 pm: WILL Seminar

Women's Initiative in Lottery Leadership

Thursday, March 5, 5:00 pm: Closing night Reception

ALL Smart-Tech delegates are invited to attend the WILL Seminar

DOUBLE PLATINUM SPONSORS:

IGT and Pollard Banknote

WILL (Women's Initiative in Lottery Leadership) **Sponsor: IGT**

PLATINUM SPONSORS:

EquiLottery Games, INTRALOT, Instant Win Gaming (IWG), Scientific Games

SILVER SPONSORS:

Abacus Lottery Everywhere, Camelot Lottery Solutions, Carmanah Signs,
Grover Gaming, InComm, Lazlo 326, SCA Promotions

TUESDAY, MARCH 3

- **5:00 to 7:00 pm: Opening Night Reception** in the Eden Roc Garden

WEDNESDAY, MARCH 4

- **7:30 am to 8:30 am:**
Continental Breakfast in the Eden Roc II B & C
- **8:30 am. Paul Jason**, Chief Executive, PGRI Public Gaming Opens the Conference sessions in the Eden Roc II B & C
- **Welcome to the Sunshine State and SMART-Tech Miami**
Samantha Ferrin, Chief of Staff, Florida Lottery
- **NASPL Round-Up
Current Initiatives of the North American Lottery Industry**
Bishop Woosley, Executive Director, Arkansas Lottery and President, NASPL (North American Association of State & Provincial Lotteries)
- **Lottery and Consumer Marketing in the Age of The Expectation Economy**
Michelle Carney
Vice President North America Gaming & Lottery Marketing, IGT
- **The Next Big Thing**
Jennifer Westbury, Executive Vice President Sales & Customer Development, Pollard Banknote
- **The Future is Now: Looking Back and Moving Ahead**
Shannon DeHaven, Deputy Director Digital Operations, Michigan Lottery
- **10:15 am. Coffee Break** in the Eden Roc II B & C Foyer
- **2020: Let's Talk Health**
Jennifer Welshons, Senior Vice President Marketing, Scientific Games Corp.
- **Case study: Launching a win-win-win Cashless Solution**
Fivi Rondiri, Director Account Management, INTRA-LOT USA
- **iLottery Market Insights Spanning North America**
Jason Lisiecki, Vice President - North America, IWG
- **So Much Data, So Little Time: Actionable Insights**
Lianne Paturel, Vice President Business Development, Pollard Banknote
- **Wisdom of the crowds: Real-time audience polling to find out what we all think about controversial questions**
Paul Jason, CEO, PGRI Public Gaming

- **12:00 pm to 1:00 pm: Luncheon** in the Spa Garden
- **AI for Better Player Experience**
Srini Nedunuri, Vice President Digital Platform & Products, IGT
- **iLottery: Where we've come from, where we're at, and where we're going Panel Discussion**
Moderator: **Stephanie Weyant Fidler**, Deputy Executive Director, Marketing & Product Development, Pennsylvania Lottery

Panelists:
Shannon DeHaven, Deputy Director Digital Operations, Michigan Lottery
Rhydian Fisher, Chief Executive Officer, Instant Win Gaming (IWG)
Charles McIntyre, Executive Director, New Hampshire Lottery
President of MUSL (Multi-State Lottery Association)
Doug Pollard, Co-Chief Executive Officer, Pollard Banknote
- **New Retail Channels.
More Money for Good Causes.**
Sara Navidazar, Senior Director of Marketing, Diamond Game, a Pollard Banknote Company
- **Panel Discussion: MUSL and Mega Millions Consortium coordinate strategy, marketing, brand messaging and product positioning to optimize synergies and overall performance of the two big national jackpot games**
Moderator: **Gordon Medenica**, Director, Maryland Lottery, Lead Director of Mega Millions Consortium
Marcus Gasper, Director, Washington Lottery
Gregg Mineo, Executive Director, Maine Lottery
Chair of Powerball Product Group
Bret Toyne, Executive Director, MUSL (Multi-State Lottery Association)
- **3:00 Coffee Break** in the Eden Roc II B & C Foyer
- **Building Retailer Partnerships while Navigating Through Changes at Retail**
Art Kiuttu, Senior Vice President Lottery and Gaming Solutions, Lazlo 326
Lars Canedy, Digital Sales Manager North America, Circle K
- **The future is now for live sports lottery games**
Brad Cummings, Founder & Chief Executive Officer, EquiLottery Games
- **Sports Betting in the U.S. - Who's Going to WIN the Big Game?**
Scott Gunn, Senior Vice President Corporate Public Affairs, IGT
- **Panel Discussion
Update on the progress of sports-betting**

implementations in the U.S.

Moderator: May Scheve Reardon, Executive Director, Missouri Lottery

Panelists:

Gerry Aubin, Executive Director, Rhode Island Lottery
Brad Cummings, Founder & Chief Executive Officer, EquiLottery Games

Scott Gunn, Senior Vice President Corporate Public Affairs, IGT

Rebecca Hargrove, President and CEO, Tennessee Lottery President of the World Lottery Association

Mark Hichar, Gaming Law Attorney, Greenberg Traurig Law Firm

Vernon Kirk, Executive Director, Delaware Lottery

■ Presentation of the SHARP Award for Good Causes to the New Hampshire Lottery

Charles McIntyre, Executive Director of the NH Lottery Accepting

■ 5:00 pm to 7:00 pm: Reception in the Eden Roc Garden

THURSDAY, MARCH 5

■ 7:30 to 8:30 am: Continental Breakfast in the Eden Roc II B & C Foyer

■ 8:30 am. **Paul Jason**, Chief Executive, PGRI Opens the Conference Sessions in the Eden Roc II B & C

■ Solutions for Innovators

Terry Presta, Head of Business North America, Abacus Lottery Everywhere

■ Have Lotteries lost the edge? Are retailers now driving lottery modernization and if so, what can we do to be in a better position of partnership in the future?

Mike Purcell

Senior Vice President, Sales & Marketing, Kentucky Lottery Corporation

■ Panel Discussion

Store of the Future: In-store digitization, space reallocation, data retrieval, efficiencies through robotics, on-line/off-line connections to meet consumer expectations, traffic-to-buy ratio, and increased personalization efforts to influence buying decisions

Moderator: Tom Delacenserie, President and Chief Executive Officer, Kentucky Lottery Corp.

Panelists

Randall Lex, Vice President Retail Sales, Scientific Games

Ryan Mindell, Lottery Operations Director, Texas Lottery

Justin Rock, Deputy Secretary of Product & Sales, Florida Lottery

Drew Svitko, Executive Director, Pennsylvania Lottery

■ 10:15 am Coffee Break Eden Roc II B & C Foyer

Continuing the deep dive into the *Store of the Future*:

■ Today's Retail MarTech, Tomorrow's Lottery Retail Experience

Manolo Almagro, Managing Partner of Q Division & Emerging Technology Advisor to Carmanah Signs

■ Convenience - Claiming Prizes in Social Venues

Scott Henneman, Vice President – Business Development & Governmental Affairs, Grover Gaming

■ What do lottery players and coffee drinkers have in common?

Mark Bradford, Vice President Product, Camelot Lottery Solutions

■ From finding Bigfoot to finding the Willy Wonka \$1B Golden Ticket, learn how marketers have utilized prize indemnity for big ROI

Christine Bennett, Director Business Development, SCA Promotions

Jackie Walker, Director of Business Development, SCA Promotions

■ Launching NextGen POS Activated Lottery in Dollar General and Family Dollar

Mark Smith, Vice President Sales & Marketing, InComm

■ Defending Government Lotteries, its Retailers, and its Players Against Commercial Betting Products that Replicate the Lottery-Playing Experience

Callum Mulvihill, General Manager Finance & Commercial Lotteries & Keno, Tabcorp Australia

■ 12:30 pm: Luncheon in the Spa Garden

■ 1:30 pm: Women's Initiative in Lottery Leadership (WILL) in the Eden Roc II B & C Sponsored by IGT

Moderator of the WILL Seminar and panel discussions:

Rebecca Hargrove, President & CEO, Tennessee Lottery Education Corp., Chair of WILL; President of the World Lottery Association

Please join us for this fabulous WILL Seminar and the Networking reception that follows WILL session.

■ 4:30 pm: Reception in the Spa Terrace

WILL: HUMANIZING THE FUTURE OF WORK

AWE (Advancing Workplace Excellence) creates immersive learning experiences to evolve the human side of work and leadership. Recognizing the challenges people and organizations are experiencing, AWE leverages its team's deep knowledge and expertise to design experiences that raise awareness, reduce bias and develop more conscious people who are centered on the expansive qualities of inclusiveness and connectedness. AWE empowers people to have the confidence to be courageous and the vulnerability to be human as they navigate the evolving workplace. Through understanding and strengthening key competencies, the AWE experience elevates and illuminates' people-centric leadership approaches and cultivating a workplace where diverse perspectives and experiences are welcomed and respected.

For the upcoming PGRI Smart Tech conference on March 5, 2020, AWE will produce an engaging, insightful and interactive half-day workshop in alignment with WILL's mission to advance women into top positions of lottery management, leadership and responsibility. The session will include a keynote presentation incorporating engaging stories, interactive workshop content, table discussions, exercises and panel discussion.

Topic of Focus: **Self-Promotion with Confidence and Ease**

According to the latest research, women who proactively promote their achievements are more satisfied with their careers, project more confidence and advance further than women who were less focused on calling attention to their successes. While many women may struggle with trumpeting their accomplishments, an aversion to self-promotion can handicap credibility, career



satisfaction, and the path to advancement. To be effective means being ready to self-promote in a way that is both authentic and relevant. It's also knowing when to self-promote, what messages to communicate, and how to strengthen messages with intention. In this session, we explore common barriers to self-advocacy, are introduced to strategies to self-promoting in a strategic context, and most importantly, how to do it with balance, confidence and ease.

About Lisa Bergeron (Facilitator)

An accomplished business leader, Lisa Bergeron is the Founding Partner and Chief Visionary Officer of AWE, Advancing Workplace Excellence. Lisa is a trusted advisor and partner, who provides clients with insightful guidance to uncover business needs and envision solutions to realize their ambitions for growth, development, and exceptional business performance.

Lisa leads AWE's vision for humanizing the future of work. She brings a unique blend of strategic vision, business savvy, and depth of experience to steer AWE's course into the future. An architect of relationships and connections, Lisa is a catalyst, progressive, and innovative thinker who creates pathways to explore, expand, and thrive in a rapidly changing business environment.

Started 17 years ago, AWE is a women and minority owned business with a focus on diversity, inclusion, and building a human centered workforce for the future. Programs are designed to establish connections, share relevant researched-based insights, and create a trusted space to explore concepts, new perspectives, and build on and expand skills.

Growing lotteries in a digital world.

Camelot Lottery Solutions
is a game changer.

Players today want more choices. Better access. To engage with brands they love. Lotteries grow responsibly when they focus on the player experience, giving players a personal connection to the games they play and the community benefits they create. Because when more people play, everybody wins.

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entertainment across our portfolio.*



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