

The Official Publication of The North American Association of State & Provincial Lotteries

Lottery Insights

October 2009 / Issue 10 / Vol. 10

Welcome to
Oklahoma City!



The Spirit of Adventure

Letter from the President:
John Musgrave

Welcome to Oklahoma City:
Jim Scroggins

Powers Awards

Ott Brown Scholarship

NASPL '09 Exhibiting Vendors

Lottery Insights - October 2009 - Issue 10 - Vol. 10

From The President

A Letter From The NASPL President: John Musgrave **3**

Association News

Hoosier Lottery Achieves NSI Verification **4**

Industry News

First Lottery Tickets Reach Arkansas Scholarship Lottery **6**

Kansas, Iowa Lotteries Begin Third Edition of Popular 'Midwest Millions' Game **8**

NASPL Subcommittee Participants Learning Intensified by Landscape **10**

A Letter from Jack Boehm, Executive Director, Colorado Lottery **11**

Vendor Community

Trapnell Elementary School Receives New Computer Lab Courtesy Of GTECH Printing Corporation (GPC) And GTECH Corporation **12**

Intralot Awarded For Its International Investments **13**

Scientific Games Adding New Press in Montréal Servo-Drive Technology Means Faster Turnaround for Customers **14**

Feature

Managers Need to Seek to Understand – And Have Answers to Build Strategy
Jan Kessinger, Henderson Kessinger Consulting (HKC, INC.) **16**

Lottery Sales During a Recession and Beyond
Margaret Mueller Ph.D., Independent Lottery Research **18**

Research

Projecting Annual Sales for Jackpot Games?
Practical Quantitative Methods for Lottery Game Management
By Dr. Stephen Wade **24**

NASPL '09 - The Spirit of Adventure

Welcome to Oklahoma City! **28**

NASPL '09 Awards **29**

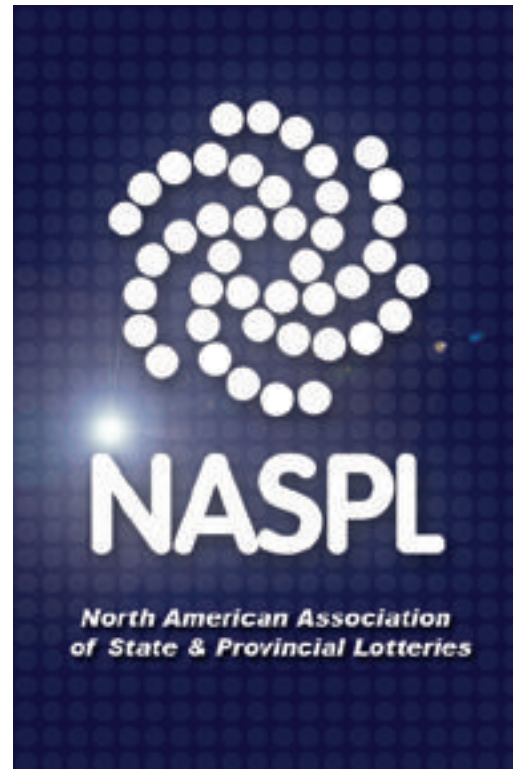
The Powers Awards and Ott Brown Scholarship **30**

NASPL '09 - Exhibiting Vendors **38**

NASPL Member Lotteries **41**

Upcoming Events

46



NASPL Staff

David B. Gale
Executive Director

Thomas C. Tulloch
Director of Administration

Andrew White
(NSI) Project Manager

Tamika Ligon
Conference Coordinator

John Koenig
Graphic Designer

Paul Corey
Database Administrator

Janine Hutzell
Accounting

Lottery Insights ISSN 1528-123X, October 2009, Volume No. Ten, Issue Ten. Published monthly by NASPL (North American Association of State and Provincial Lotteries), 6 North Broadway, Geneva, OH 44041.

© 2009 All rights reserved.

NASPL Email: info@nasplhq.org
Web Site: www.naspl.org
Phone - 440.466.5630 / Fax - 440.466.5649



Each year the outgoing NASPL President has the privilege of passing along a new set of challenges that the incoming President is faced with turning into opportunities. Like other NASPL Presidents, I too have had the honor of leading NASPL through this year's challenges, which I believe have led to continued improvement for our Association.

In a difficult year, NASPL has worked hard to maintain our progress in several areas. With continued work on the NASPL Standards Initiative (NSI), even more lotteries and vendors are now certified through the verification process which will bring us closer to a standardized way of conducting business. This year, NASPL has also worked hard to adapt to a digital world by converting the Lottery Insights publication into electronic format. This new way of transferring information to our readers will hopefully provide a faster, more cost efficient way of keeping our membership informed.

As the economic situation continues to place pressure on our revenue streams, our Association must evolve into a more strategic body with innovative thinking that will lead our

industry into future growth and success. While this will not be an easy task, I am confident that current and future NASPL members will have both the talent and diligence to move our industry forward.

In closing, I would like to thank David Gale and the NASPL Staff for the time, effort and resources they have used to support our membership this past year. I would also like to thank every member of NASPL for entrusting me with the opportunity to serve as your President.

A handwritten signature in blue ink that reads "John Musgrave".

John Musgrave
Director, West Virginia Lottery
NASPL President

Lottery Insights - October 2009

Publisher: NASPL Headquarters

Editor: John Musgrave

NASPL Executive Committee Members

President

John Musgrave, Director
West Virginia Lottery

Treasurer

Jeff Anderson, Director
Idaho Lottery

Region I Director

Buddy Roogow, Executive Director
Maryland State Lottery

First Vice President

Margaret R. DeFrancisco, President & CEO
Georgia Lottery Corporation

President, Interprovincial Lotteries

Jim Lightbody, VP, Lottery Gaming
British Columbia Lottery Corporation

Region II Director

Tom Shaheen, Executive Director
North Carolina Education Lottery

Second Vice President

Rick Wisler, Executive Director
New Hampshire Lottery Commission

Immediate Past President

Ernie Passailaigue, Executive Director
Arkansas Scholarship Lottery

Region III Director

Jodie Winnett, Acting Superintendent
Illinois Lottery

Secretary

Ed Trees, Executive Director
Pennsylvania Lottery

Region IV Director

Christopher Liu, Director
Washington's Lottery

We see opportunity.



Today's global economic pressures have generated incredible business challenges. In this climate, we see opportunity. Opportunity to accept, seize and manage change—to be more competitive in the entertainment industry...and to grow lottery sales from *retail expansion*, to implementing *best practices*, to *new media games*, to exciting *new business models*. We see opportunity everywhere...but more importantly, we see it for our customers.

Partnering with lotteries...for good causes.



GTECH[®]

Architects of Gaming

GTECH[®] is an advocate of socially responsible gaming. Our business solutions empower customers to develop parameters and practices, appropriate to their needs, that become the foundation of their responsible gaming programs.

First Lottery Tickets Reach Arkansas Scholarship Lottery



Ernie Passailaigue

The 'Arkansas News Bureau' reported recently that the first shipment of Arkansas Lottery tickets arrived in the state on, September 14th lottery officials announced.



A truckload of tickets arrived at Scientific Games' distribution center in Little Rock, Arkansas. Members of the state Lottery Commission broke the seal on the truck's rear doors in a ceremony, officials said.

The tickets were distributed to 1,500 retailers across the state and went on sale just after midnight on Sept. 28, 2009.

Net proceeds of ticket sales will be

used for scholarships for Arkansas college students.

Lottery officials have also unveiled the Lottery logo as the countdown got underway

In other news, the Arkansas Lottery Commission recently ap-

proved using \$200,000 of its startup funds to train addiction counselors and set up a treatment network for problem gamblers.

The nine-member panel approved giving the money to the Department of Human Services to start a program to help gambling addicts. The program will refer callers to a national gambling hotline and calls for offering startup grants for services treating gambling addiction. The agency also plans to set up Gamblers Anonymous programs in cities around the state that need them.

State law requires the lottery games to fund a gambling problem program using unclaimed prizes, but lottery officials said they wanted to speed up the process.



A World of Possibilities



Tap the investment power of a global leader in the lottery and gaming industries and gain access to a broad and rich portfolio of products and services designed to help you optimize revenues.





billions of dollars worth of latex-covered tickets that they scratch off to determine whether they've won a prize. But until Midwest Millions, instant-scratch games had been an individual product for each U.S. lottery.

Statewide sales in this year's version of Midwest Millions began recently in both states. The game's first drawing will be Jan. 15, 2010 in Kansas, with the second drawing April 16, 2010 in Iowa. Entries in the second-chance drawings will be determined as a percentage of sales (e.g. if one state sells 60 percent of the tickets in the game, it will get 60 percent of the entries in the second-chance drawing).

Rich said he's looking forward to the latest results.

"Midwest Millions has given us the opportunity to present a new twist on lottery games," he said. "Our players have definitely found it intriguing and fun to play."



HOT

REWARDS
FOR
EVERY
TEMPERATURE



1725 Windward Concourse • Suite 150
Alpharetta GA 30005 • 770-442-6993
alchemy3.com

NASPL Subcommittee Participants Learning Intensified by Landscape

Colorado Springs, the proud home of the U.S. Olympic Committee and the location of the most recent NASPL Subcommittee Meeting; where more than 250 individuals from 31 lottery jurisdictions came together to discuss all of the major disciplines of a lottery organization. Sitting at the foot of one of America's most famous landmarks, Pikes Peak, and serving as the inspiration for Katharine Lee Bates, author of "America the Beautiful," participants were also inspired by the majestic landscape.

Filled with a combination of small work-group meetings, to larger general sessions, members

of the Legal, Audit, Warehouse, I.T., Accounting, Security, PR/ Communications, and Sales/ Marketing (Product Manager) subcommittees had a great opportunity to hear a variety of presentations. As a part of the agenda, participants from both the lottery and vendor communities provided invaluable information that later served as great discussion topics within the smaller groups.

Hosted by Jack Boehm, and the Colorado Lottery, every detail was planned and executed flawlessly and participants were beneficiaries of the great hospitality and professionalism provided by Jack and his team. And a huge thanks

to all of the volunteers who made this meeting possible. And a special acknowledgement to Tara, Terri, Jay, Ken, Alysia, Audra, Deepa and Jordan; your hard work was appreciated by all!



Dear Lottery Colleagues: A Letter from Jack Boehm, Director, Colorado Lottery

Dear Lottery Colleagues,

I want to extend a big "Thank You" to all of you who attended the Colorado Springs NASPL Sub-committee meetings this week. We had record attendance and a wealth of information was shared. Much of our success was due to the volunteers with their attention to detail, hours of planning, thoughtful gifts and desire to welcome you to Colorado. I received wonderful compliments from many of you about our Lottery "concierge" staff and support for the entire conference and wanted to share some of them.

"You and your staff did a great job with this conference, it was meaningful and I got a lot of new ideas out of it."

"I especially want to thank you for bringing in Tim Gard on Wednesday and his presentation was outstanding."

"I have not been to a better NASPL subcommittee meeting in all the years I have been going to these meetings."

"This is a great meeting and conference. My congratulations to you and your staff."

"I love how well your staff got this all coordinated and how smoothly things went."

"Great idea on the neck badges and the folding program."

Each of you in attendance helped to make this conference a success. Your insightful questions and comments

helped to make each session meaningful to attendees. I am continually amazed at how quickly things change in our business and how passionately you all feel about your Lottery Organization and bringing it more opportunities for change. We all know that each year things change, sometimes for the better and sometimes not to where we want to go. Your support to this organization, as demonstrated by your willingness to share your successes and your concepts with us all, illustrates just how strong such an organization can be for the good of all lotteries.

I also want to thank the many attendees and presenters from the vendor side of the aisle. They presented many new concepts and ideas that were fresh and forward thinking, especially in the area of expanding the use of the Internet and related services to reach a new generation of Lottery players.

The exchange of ideas, business processes, game concepts, and operating procedures that were expressed has created a myriad of new ideas to many of the Lottery attendees. The Colorado Lottery is extremely thankful to all of you for helping us make this conference one you can remember. I hope you had a little time left to see some of the wonderful sights around Colorado Springs. Or, if you were just too busy at the conference sessions, I hope that you will visit us again and be inspired by the sights and sounds of Colorado. "America The Beautiful" is an inspiring song and it was born in Colorado.

See you in Oklahoma City at the Annual NASPL conference or at the next Subcommittee meeting.

Sincerely,

Jack A. Boehm,
Director, Colorado Lottery

COOL

REWARDS
FOR
EVERY
TEMPERATURE



1725 Windward Concourse • Suite 150
Alpharetta GA 30005 • 770-442-6993
alchemy3.com

Intralot Awarded For Its International Investments

INTRALOT was distinguished as one of the "Trade and Investment Leaders", receiving the "Investment Leaders-Greek International Investments" award during an official ceremony organized by Helexpo (the biggest International Fair held in South-East Europe) and StatBank (a database for Statistics, Economy and Business) in Thessaloniki, Greece.

The award ceremony was held during the 5th Business Forum that was part of the 74th Thessaloniki International Fair on the theme: "Foreign Direct Investments. Seize the Opportunity in Times of Recession".

The event drew the attention of the Greek business community, as well as that of South Eastern Europe and focused on the major issue of investments. Its main objective was to exchange ideas and experiences on topics such as World Investment Situation, Foreign Direct Investment, Investment for Development and Opportunities in the wider region of South-East Europe.

Commenting on the award, Mr. Constantinos Antonopoulos, CEO of INTRALOT, stated: "INTRALOT's distinction as one of the leading international investors is a fitting reward for our commitment to continuously expand the company's footprint and establish a long lasting presence in regions where business opportunities arise. Currently, we are proud of our presence in 50 countries all over the world, and of our 5,000 professionals who are working hard to guarantee INTRALOT's global success".



*About INTRALOT
(www.intralot.com)*

INTRALOT, a public listed company, is the leading supplier of integrated gaming and transaction processing systems, innovative game content and sports betting management, to state-licensed gaming organizations worldwide. Its broad portfolio of products & services, its know-how of Lottery, Betting & Video Lottery operations and its leading-edge technology, give INTRALOT a competitive advantage which contributes directly to customers' efficiency, profitability and growth. With presence in more than 50 countries, with 5,000 people and revenues of €1.1 billion for 2008, INTRALOT has established its presence on all five continents.

For more information please CONTACT: Ms. Persa Kartsoli, Head of Corporate Affairs, Phone: +30-210 6156000, Fax: +30-210 6106800, email: kartsoli@intralot.com.



 **ALCHEMY₃**
smart lottery & brand combinations

1725 Windward Concourse • Suite 100
Alpharetta GA 30005 • 770-442-6863
alchemy3.com

The Servo's modularity also maximizes production uptime because shutdown of the entire press is no longer required during maintenance. Press operators simply remove and repair the station in question, before returning it to operation. Targeted maintenance of this nature can be done without affecting the performance of the remaining stations. Adding new stations is also much easier to accomplish in a modular environment.

Scientific Games anticipates a go-live date for its new 20-station press before year's end. Local production, manufacturing, marketing and customer service support will be maintained in Quebec.

Integral to the new press installation, the company is also advancing two complementary initiatives at its Montréal facility as part of Scientific Games' corporate sustainability program:

- The facility will now use water-based inks only, which will eliminate solvents, chemicals and hazardous waste treatment and removal.
- A new shredder, already installed and operational, will allow for the recycling of waste, instead of having to send it to a landfill for disposal.

Says Goudreault, "Our goal going forward is to substantially reduce our waste material and, in fact, recycle 100-percent of all waste material we generate."

This latest in-line printing press represents a \$20 million capital investment for Scientific Games, which, in addition to Canada, now has state-of-the-art production and operations facilities in the United States, South America, Europe, Asia and Australia.

"Each location has been carefully chosen and strategically positioned to optimize service and support of our growing global base of customers," said Jim Trask, SG Senior Vice President Printed Products Worldwide.

The Scientific Games Printed Products Group has been at the center of a whirlwind of high-profile lottery industry activity in the last year. In 2008, through a joint venture with a China-based business partner, the company established a secure state-of-the-art instant ticket manufacturing facility in Beijing. A new in-line web press, including two modern packaging lines, went live on December 20, 2008.

A mere 156 days later (May 25, 2009), a second in-line press and two more sophisticated packaging lines went live, bringing Scientific Games' annual combined production volume in China to eight billion 2" x 4" tickets.

Even before installation of the first press was complete, the company was busy establishing a national instant lottery ticket sales system for the China Sports Lottery (CSL) to track the distribution and validation of instant tickets throughout the People's Republic of China. As of early September, there were approximately 160,000 retailers in the CSL network, with additional locations being recruited every week.

Over the past decade, Scientific Games has added seven new presses, including the one in Montréal. New presses came on line in 2000, 2005, 2007, 2008, and, again, this year. The company's custom-built P-6 press, dedicated in Alpharetta, Georgia, in October 2007, is one of the highest capacity lottery presses in the world. Scientific Games is also the only major producer of instant tickets with in-line printing capacity in Europe, a continent on which scratch-off ticket volume growth potential in the decade ahead is projected to be significant.

In 2008, Scientific Games produced more than 38 billion secure, high-quality instant tickets for lottery customers around the world. That's a nearly 90-percent increase in output from 2005, in which the Company manufactured 20.3 billion.

identify the opportunities for increasing sales performance at each one.

There are two ways to get that information. One is for the chain rep to visit every store in the chain. A much more efficient and effective way is for each field rep to communicate with the chain reps about opportunities at stores. The chain rep can then make a comprehensive presentation at headquarters and make changes at tens of stores with one call. The key to it all, though, is hard work and good communication from the field sales team. That is fishing where the fish are.

Is my sales team spending its energy where it gets results? A sales manager needs to be aware of where sales time is being spent. Most lotteries work on a route system where accounts are called upon either weekly, or bi-weekly. However, not all accounts hold the same value as sales prospects. Value is different from potential, too. It is not possible to give 100 percent full sales efforts to every account on every route. There just is not enough time. Strategic time management means spending time and energy where the results will come from.

It is easy to be blinded by potential. WalMart and Costco have tremendous potential. However, time might be better spent working on smaller accounts with a higher likelihood of becoming lottery retailers. Or, on a territory level, a sales rep may have an account who would have a \$18,000 sales increase if the store moved tickets onto the front counter. However, the rep figures there is about a 25 percent chance of convincing the store to make that move. The value of the store as a sales growth prospect is 25 percent of \$18,000, or \$4,500.

Another store may have potential of increasing sales \$12,000 by moving tickets. The rep figures there is a 50/50 chance of being able to convince that retailer to move them. The value of the second store as a sales growth prospect is 50 percent of \$12,000, or \$6,000. The rep should spend more time going after the store with the \$12,000 potential rather than the store with \$18,000 potential because the value is greater (probability times potential).

What is stopping the lottery from getting more business at retail?

Managers know what drives sales, but lotteries often overlook competition that keeps retailers from maximizing lottery sales. Competition is not just the competition for the gaming dollar. It is more likely the competition for the discretionary dollar inside the store. Consider that more than half of instant game purchases are unplanned. What stops lottery from capturing more sales? It is the battle for the impulse purchase. It is putting the tickets in danger of being sold.

In several states, we use standards of excellence check lists of best practices. Managers need to be in stores and assess what is stopping retailers from doing the best practices in order to maximize the high dollar per square foot from lottery. Then, let the selling begin!

Is selling being done by the sales people on store visits?

Lotteries invest a lot of money into having teams of people making calls on stores. To deliver value, reps must always be changing reality at retail. One of the reasons we rolled out standards of excellence was to provide a blueprint for selling opportunities for lottery representatives. It is a clear checklist of ways that retailers can sell more lottery. Virtually

every lottery retailer in America today can do a better job of merchandising and selling lottery. (That is not to say they are doing a bad job – just to say they can do better.) The role of the lottery sales representative is to sell the retailer to do more and better things to sell and merchandise lottery.

How does a manager know if selling is being done on store visits?

By getting out into the field and riding with reps to observe, and by visiting stores independently to see if best merchandising practices are being put into place.

Where are sales reps stalling in the sales process?

Every sales representative is different and has a different set of selling skills. Sometimes marketing initiatives are met with a thud in the field. Was it a sales problem, or a problem with the initiative? Get out and find out. Confident sales people sell more. Provide feature and benefit information, help in overcoming objections and any help to overcome whatever is stalling the sales process. As a manager, remove obstacles to the success of the sales people.

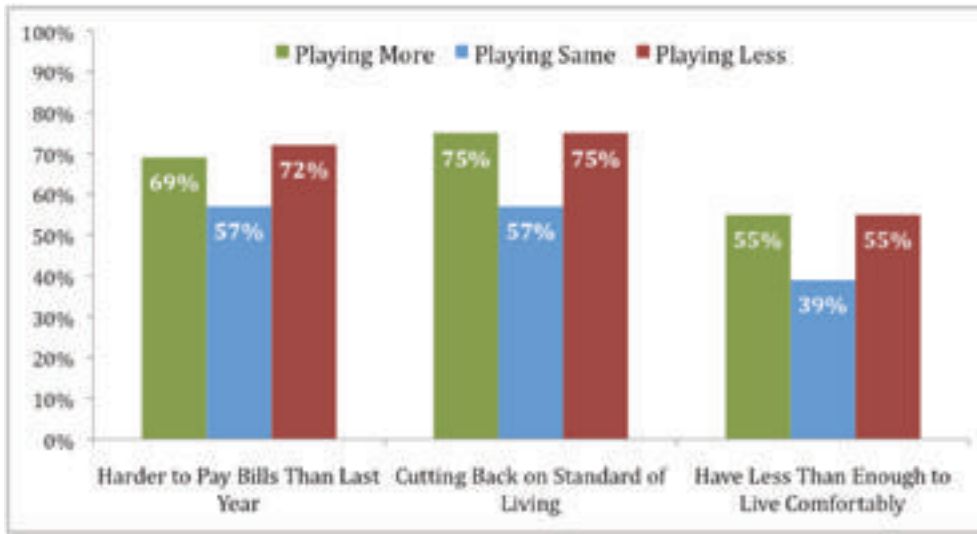
Understand – Provide Strategy

As I said earlier, the role of the sales manager is not to report on reality, but to change it. By finding answers to the questions above, a manager is prepared to respond, lead and change reality.

Analyze not just sales data and report those results. Find out the “why” and create plans to take advantage of the positives and lessen the impact of the negatives. Reality can be changed. Understand the situation. Set the course. Develop your people. Change reality.

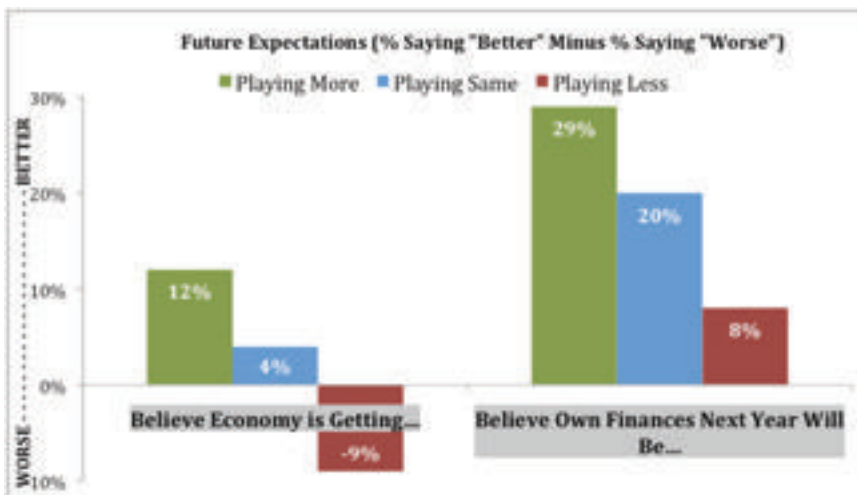
are playing more than they did a year ago, while 31% say less and 61% say the same amount as a year ago. Those playing less outnumber those playing more four-to-one. Understanding what motivates 8% to play more provides insight into how to move more consumers into the “playing more” category.

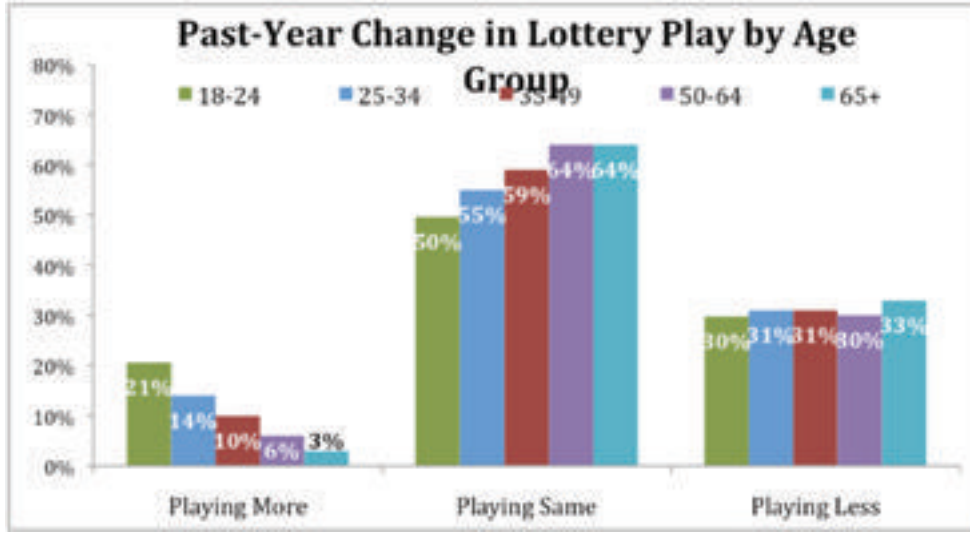
Surprisingly, consumers playing the lottery more and those playing less have a great deal in common. Both have been hit harder than average by the recession. Seven in ten are having a harder time paying bills than last year, three-fourths are cutting back on their standard of living, and over half say they have less money than they need to live comfortably. Both groups – playing more and playing less – are 12 to 18 percentage points higher on these measures than consumers playing the lottery the same amount as a year ago.



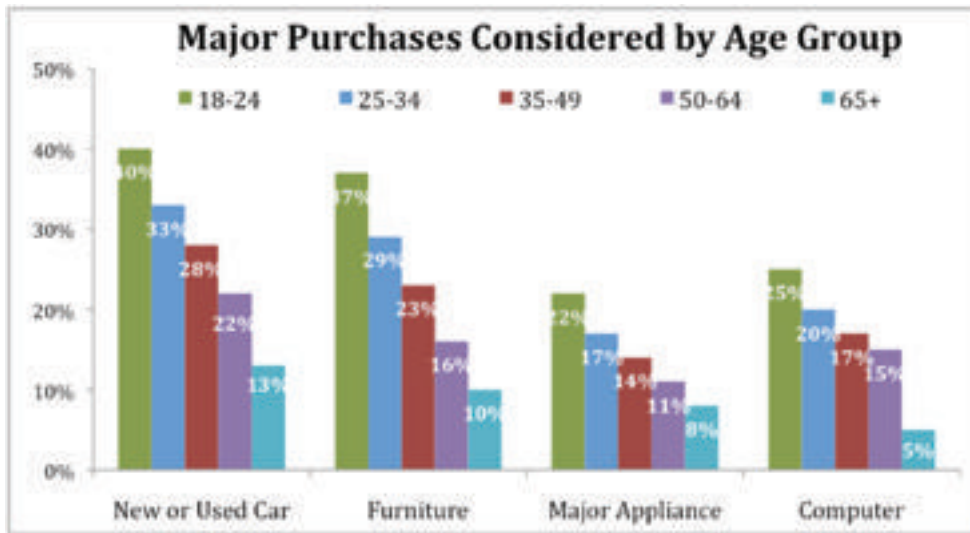
Clearly, though, consumers playing the lottery more and those playing less have responded to economic pressure in different ways. Why? The main difference is that consumers playing more have more positive expectations about the future than those playing less. Among consumers playing the lottery more, those who believe the U.S. economy is improving exceed those who believe it is worsening by 12 percentage points (47% vs. 35%). By contrast, among consumers playing the lottery less, those who believe the U.S. economy is improving fall short of those who believe it is worsening by 9 percentage points (39% vs. 48%). There is a similar pattern in their expectations about personal finances. Those playing the lottery more are far more likely than those playing less to believe their personal finances will improve in the coming year.

Lottery marketing needs to reflect a positive, upbeat view of the economy (e.g., positive signs today, better prospects for the future) as well as reflecting the optimism that many lottery players have despite the ongoing downturn.





For lottery marketing and game development, it is important to bear in mind how the younger generation entering the ranks of Joes and Jacks differs from older generations. The major purchases they are considering are clues to potentially attractive lottery prizes. Younger consumers are more likely to be in the market for automobiles, household appliances, furniture, and computers. Many young consumers need to obtain a vehicle and feel they cannot afford a new one. As they establish households of their own, they need to obtain major appliances and furniture.

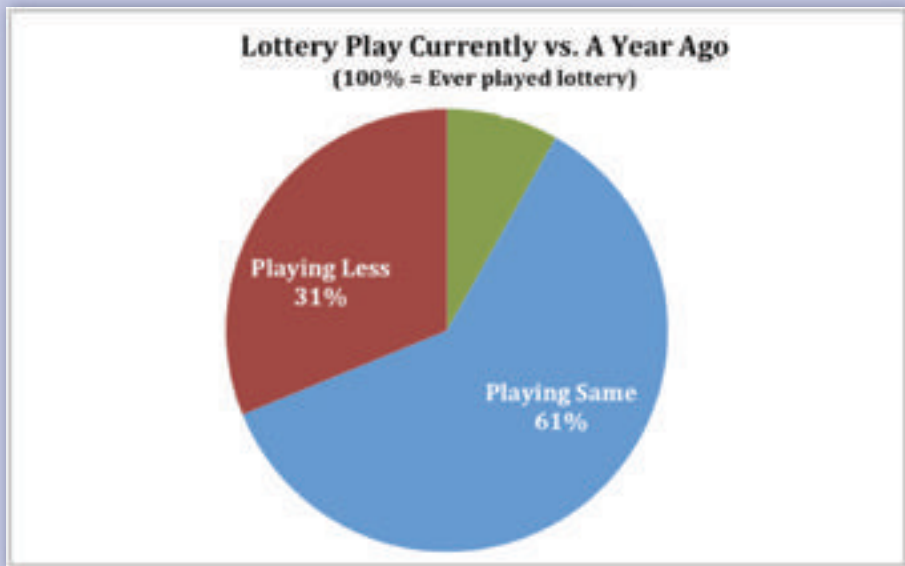


For lottery marketing, it is vital to understand how involved the younger generation is with new media, particularly social networking websites. (This is a key part of our recent Research Camp presentations. See below for details on obtaining the presentations.) Our surveys indicate that over half of consumers ages 18-24 and 25-34 are active members of social networking sites, compared to 37% of ages 35-49, 22% of ages 50-64, and 16% of ages 65+. The differences by age group are even more pronounced for MySpace than Facebook.

It is important to realize that as the industry's core audience ages – much like the horse racing industry over the last forty years – our core sales are threatened. This realization should be a key factor in game and marketing planning. Understanding that the recession is affecting a major percentage of existing playership, while at the same time causing a new consumer group to evaluate our games and maybe even play them for the first time, must be immediately reflected in all we do.

ILR will be in Oklahoma City for NASPL 09. We hope you get a chance to attend our presentation, Lottery Player Perceptions and Buying Habits, on Thursday, October 8 at 2 p.m. and meet our staff during the conference. Please give us feedback on our columns and newsletters and especially your ideas for questions on our National Poll. To obtain a copy of Research Camp 2009 presentations, please visit our website at www.ilresearch.com/camp or call Jessica Ellington at 312-321-8117.

Besides being younger, consumers playing the lottery more include a relatively large percentage of immigrants. One in six (17%) were born outside of the U.S., more than double the rate seen among other lottery players. The high incidence of immigrants among consumers increasingly playing the lottery presents both marketing challenges and opportunities.



INDEPENDENT LOTTERY RESEARCH

Projecting Annual Sales for Jackpot Games?

Practical Quantitative Methods for Lottery Game Management

By Dr. Stephen Wade

Summary: *This article explains how some statistical methods developed for science and engineering can be applied to projecting future sales and profit from a jackpot draw game. As an illustration, I discuss how an accurate model of the daily sales of a jackpot game can be combined with a draw game coverage function to project annual rates of sales and profit¹.*



Dr. Stephen Wade

We all know that big draw games like Lotto have years when they produce more in the way of sales, profits, and excitement, and years when they

produce less. We may understand individual years as departures from a typical or average year. To a large degree these departures are due to the “luck of the draw” and are outside our control. For purposes of setting next year’s budget, we might prefer to use a sales number that represents a typical year.

We might be able to use the average of several past years’ results for this purpose, but this backward-looking approach is not very helpful in times of change. We may know that players are playing differently now than they did five years ago. If so, we would prefer to project next year’s results based on how players are behaving now.

Washington’s Lottery has benefited by applying particular statistical methods (originally developed for applications in science and



it’s good to play

engineering) to draw game management. Applying these methods has:

- enhanced our ability to recognize changes in draw game sales due to advertising, promotions, cannibalization by new games, and the like,
- allowed us to automate the projection of the “roll” amount in draw games whose roll depends on sales, and
- increased our confidence in projecting year-to-year

sales and profits of jackpot draw games.

Earlier articles (Lottery Insights ref1 and ref2) used the example of Washington Lottery’s Hit 5 game (a cash Lotto) in illustrating the use of a quantitative model for automating the jackpot setting process and for recognizing changes in sales due to advertising and introduction of new games. This article completes the series by showing how the same quantitative model that provides an accurate daily forecast of sales can be combined with a coverage model to yield a projection of the game’s sales and profit over a typical year.

Key concepts are:

- Analysis of game sales in a past period allows us to develop a quantitative model of sales during that period. Typically, the day of the week and the size of the jackpot are key factors in this model. When that model is applied to a current or future period, it produces a projection of sales on a day-by-day basis. The days can be rolled up into draws.
- The likelihood that a Lottery drawing will select a number combination that corresponds to a sold ticket can be calculated by a coverage function. Coverage is determined by the odds of winning the top prize and the number of tickets that have been sold.
- By using a sales model to project the number of tickets sold in a draw, then feeding that number of tickets into the coverage function, we can estimate the likelihood that this draw will select a winner. A likely prize cost, representing both lower-tier prizes and a probability-weighted jackpot cost, can be calculated at each step.
- The draw-by-draw development of sales, jackpot, and likely prize cost can be calculated in a stepwise way, representing unbroken jackpot growth from the first draw to any number of draws. The larger the number

of draws, the lower is the likelihood that the corresponding event will actually occur in a typical year.

- Summing the projected sales and likely prize cost of a year's worth of events, starting with the most likely and proceeding to less likely, yields the expected sales and prize cost for the game in a "typical" year.

The Sales Model

After some preliminary study, we settled on a Hit 5 model that uses seven distinct "day models". Each day model is a linear equation that predicts Hit 5 sales on a particular day of the week. On each day, there is an expected level of sales when the Hit 5 cashpot is at its starting value (\$100 thousand). Any increase of the Hit 5 cashpot above its starting value increases sales. We find that the response of sales to increases in the cashpot is not the same each day of the week. We also find that the size of the jackpot in other games (Mega Millions, for instance) can influence Hit 5 sales.

We use multiple regression analysis to define both the expected level of sales on a given day of the week when the cashpot is at its starting value, and the precise way sales change in response to increasing cashpot and any other measurable influences. Multiple regression analysis is conceptually somewhat complex, and defining it is beyond the scope of this outline. Applying it is simpler: it is available in any one of several specialized statistical software packages for personal computers². In building the model,

we define the increase in cashpot above its starting level as the difference between the starting cashpot and the last cashpot. This is the definition that works best for the purpose of projecting the next jackpot roll, as discussed in an earlier article (LI ref2). Although other ways of defining the model might work equally well, we simplify our draw game management by having a single quantitative model that serves all purposes.

Once we have a "day model" for each day of the week, we can predict sales on any day for which we know the values of the relevant independent variables (last cashpot size and so forth). Sales for the draw accumulate until the draw day.

Coverage and Jackpot Development

On each draw day, there are two possible outcomes. If there is no top prize winner, lower-tier winners are paid and the jackpot to be won at the next draw is announced. The amount of the next jackpot is determined by a calculation that takes into account the sales expected in the next few days. Since in Washington we have automated this calculation, we can easily include it in our forecast of jackpot growth over any number of draws. On the other hand if the jackpot is won, the cash required to pay it is set aside, lower-tier prizes are paid, and the jackpot reverts to its starting value.

In our model, we are concerned not only with the likely sales in each draw but also with the cost of each draw. The likely cost of the draw is the sum of just two terms: the

cost of paying only lower-tier prizes weighted by the likelihood of that happening, plus the cost of paying both the jackpot and the lower-tier prize weighted by the likelihood of that happening. The likelihood of paying the top prize, of course, is given by the coverage function. The true cost of a draw will sometimes be low and sometimes high, but over the long run it will be close to the calculated likely cost.

These calculations are implemented in a spreadsheet in which each successive draw is represented by a row. The following excerpt shows the most relevant items. The coverage function shows the likelihood of a top prize winner on the particular draw. The "likelihood of getting this far" is the probability that each draw up to this one will find no winner. As this excerpt shows, a Hit 5 jackpot has only an 11% chance of growing for more than 7 draws, and only a 1% chance of growing for more than 12 draws. (SEE CHART 1 BELOW)

account for 156 draws in a year.

The number of wins expected over a year's time at each stage of drawing is just the number of drawings occurring in a year at each stage, multiplied by the coverage at that stage. In Hit 5, the top prize is won on the first draw about 19% of the time.

This excerpt provides a detailed picture of the expected frequency of jackpot wins of different sizes, and the total number of jackpots. Further calculations (not represented here) calculate annual sales and annual prize expense from the number of draws at each level.

As the following table shows, this model developed in FY2007 predicted actual results in FY2008 with a useful level of accuracy. (SEE CHART 2 ON NEXT PAGE)

In an earlier article (LI ref1), I described how

Draw number	Estimated sales in Draw	Jackpot	Coverage	Likelihood (get this far)	Draw Distribution	Draw Proportion	Yearly Total draws @ level	Wins / 52 wk
1	\$ 127,330	\$ 100,000	19.64%	100.000%	100.000	0.25800	40.247	7.905
2	\$ 146,586	\$ 140,000	22.25%	80.357%	80.358	0.20732	32.342	7.197
3	\$ 221,015	\$ 200,000	31.56%	62.476%	62.476	0.16119	25.145	7.936
4	\$ 148,092	\$ 240,000	22.45%	42.759%	42.759	0.11032	17.210	3.864
5	\$ 183,708	\$ 290,000	27.04%	33.158%	33.159	0.08555	13.345	3.609
6	\$ 266,628	\$ 360,000	36.70%	24.191%	24.191	0.06241	9.736	3.573
7	\$ 181,312	\$ 400,000	26.74%	15.314%	15.314	0.03951	6.163	1.648
8	\$ 226,132	\$ 450,000	32.16%	11.218%	11.218	0.02894	4.515	1.452
9	\$ 315,282	\$ 510,000	41.74%	7.611%	7.611	0.01964	3.063	1.279
10	\$ 212,456	\$ 550,000	30.55%	4.433%	4.434	0.01144	1.784	0.545
11	\$ 265,906	\$ 600,000	36.62%	3.079%	3.079	0.00794	1.239	0.454
12	\$ 360,896	\$ 670,000	46.11%	1.951%	1.952	0.00504	0.786	0.362
13	\$ 245,676	\$ 720,000	34.39%	1.051%	1.052	0.00271	0.423	0.423
					387.604	1.00000	156.000	40.247

The "draw distribution" column simply restates these likelihoods as a count of events. The next columns expresses the proportion of all draws that would be expected to occur at each level, and further the number of draws (out of 156 draws per year) that would be expected at each level. The typical behavior of the game in a year is described by just the rows necessary to

advertising during March 2008 apparently caused actual sales to exceed the model prediction by about \$0.72 million. This leaves less than \$2 million of actual sales performance in FY2008 unaccounted for.

Of course, this close correspondence may be partly fortuitous. The model described here does not provide

Hit 5	Sales (\$ million)	Prize Expense (\$ million)	Number of Wins	Prizes Percent of Sales
Model (typical year)	\$27.22	\$15.79	40	58%
FY '08 Actual	\$29.80	\$16.68	41	56%

any information about expected year-to-year variability in results. Models that estimate year-to-year variability are a topic beyond the scope of this article.

development of jackpots, to project sales, prize expense, and the number and size of top-prize wins for a “typical” year.

Anticipating Effects of Change

In building our Excel application, we foresaw that there would be a need for making adjustments to the model. Consequently, we provided a way of adjusting each element in the reference table that represents the day models with a “forcing coefficient”. The forcing coefficients were all initially set equal to one. We can model the effects of increases and decreases in sales (even on particular days) by setting the forcing coefficients to values greater than or less than one.

We modeled the effects of introducing a new draw game that would cannibalize sales of Hit 5. Research led us to expect that introduction of Match 4, a game unique to Washington, would cannibalize Hit 5 sales by up to 20%. We also felt that Match 4 would provide a strategic diversification of our draw game portfolio. We decided to introduce Match 4 partly because modeling allowed us to project the effects on Hit 5 wins per year, average jackpot size, and gross profit. With this information, we were better able to judge whether the strategic diversification justified the adverse impact to Hit 5.

In fact when Washington introduced its Match 4 game on August 3, 2008, we recognized cannibalization of Hit 5 sales immediately. Over several months this has amounted to about 15% of Hit 5 sales. We have implemented adjustments to our Hit 5 model to maintain the game at target profitability, as described in Lottery Insights (ref2). The model instantly produced corresponding estimates for sales, profits, and number of wins per year.

In summary, Washington’s Lottery has applied quantitative modeling techniques in several places to better manage its in-state Lotto games. We use a model that accurately forecasts day-to-day sales, in combination with a coverage model to project the

FOOTNOTES

1. This illustration draws on the work of many people. Although it uses examples from WA Lottery, several lotteries may use similar methods. Thanks to my predecessors at WA Lottery, including Todd Baumann, and to Eric Swenson of the WA Economic and Revenue Forecast Council for significant elements of the model used in WA for forecasting typical yearly results.

2. We use SPSS (www.spss.com). Another suitable platform is SAS (www.sas.com).



Welcome to Oklahoma City!



On behalf of the Oklahoma Education Lottery Board of Trustees and the entire Lottery staff, please let me be the first to welcome you to Oklahoma City and the NASPL 2009 Conference and Trade Show.

We are particularly proud of the educational program for this year's conference. We have some great keynote speakers and breakout sessions that will provide every attendee a valuable educational experience. We are sure that each of you will leave the conference with several new ideas and concepts that you can apply to your individual lottery.

The NASPL staff, our committee chairs and volunteers have done an excellent job in preparing for the conference and we know that you will be pleased with their efforts all the way from your arrival in Oklahoma City through and including the Friday night banquet. We have spared no effort in making your visit a fun and exciting one.

While you are here in Oklahoma City be sure to check out some of our local attractions. The Memorial to those that lost their life during the Oklahoma City bombing is just a few short blocks from your hotel and something that every visitor should make a point to visit. In addition we have the Art Institute, Myriad Gardens and of course historic Bricktown with its beautiful canal walk all an equally short walk from your hotel.

Friday night's banquet as usual will be a special event and I know you will not want to miss it. This is the 25th Anniversary of the Batches Awards and you won't want to miss this year's additions to the previous great winners.

We look forward to seeing you in Oklahoma City.

Jim Scroggins
Executive Director
Oklahoma Lottery Commission



The Oklahoma Lottery Commission Staff

NASPL '09 Awards

Rick Wisler, NASPL Awards Committee Chair, Executive Director, New Hampshire Lottery Corp.

Every year at the NASPL Annual Conference, a portion of conference time is designated for presenting the Powers Awards, Batchy Awards, Hickey Awards and Delegates Awards. Below are brief descriptions of these awards.

Batchy Awards



Ralph Batch

The Batchy Awards are presented to NASPL members for outstanding advertising achievements. Batchy entrants are judged in several different

areas, including radio, television, print and special categories, such as retailer and player newsletters and web site home page. The Batchy Print and Radio Awards will be presented on Wednesday, October 7th, during the Opening Ceremonies. The Batchy Television Awards will be presented at the final Awards Banquet on Friday evening, October 9th.

The Batchy Awards are named in honor of the late NASPL Charter Member Ralph Batch. In 1970, Batch was named the first director of the New Jersey Lottery. He also served as director of the Illinois and Delaware Lotteries. Batch became the first president of our organization in 1971. During the implementation of the New Jersey Lottery, Batch was charged to explore known sources for lottery data that might assist in lottery operations. It was through his efforts that the advantages of the exchange of information and joint ventures between lotteries were first recognized.

Powers Awards



Ed Powers

These Awards are named in honor of the late Edward J. Powers, the "Father of U.S. Lotteries." This year, the Powers Awards winners will be presented at the Opening Ceremony Awards on Wednesday, October 7.

Ed Powers was appointed to head the New Hampshire Sweepstakes Commission, the first modern-era U.S. lottery, in 1963 and spent more than 25 years in the lottery industry, helping to set the standards that have become a trademark for today's lotteries. He proved to government officials, the media and the public that a lottery can be operated successfully with integrity. He was one of the three co-founders of NASPL and in the early 1970s served as its president.

Hickey Awards



Owen Hickey

The Hickey Awards are the traditional NASPL awards for excellence in promotional events. These awards also will be presented at the Opening Ceremony Awards on Wednesday, October 7.

The Powers Awards are presented in recognition of lottery and vendor employees who have made significant contributions to their lotteries by virtue of exceptional job performance.

The Hickey Awards are named in honor of the late Owen Hickey, an industry leader who served as the director of the Colorado Lottery, deputy in Arizona and marketing director for the Pennsylvania Lottery. Although Hickey was responsible for many endeavors, he probably is most remembered for the creative development of promotion and public relations techniques for the lottery industry.

Delegates Awards

Finally, the Delegate Awards are presented for the best point-of-sale materials specifically designed for limited use as a product promotion, a special promotion or educational program, and promotional-premium item. These awards will also be presented at the Awards Banquet Friday evening, October 9th.

The Delegate Awards are named for the manner in which winners are selected. The selection process is accomplished by a majority vote by all registered delegates in attendance at the NASPL '09 Conference.

Presently serving with me on the NASPL Awards Committee for the 2008-2009 term is David Loeb, President of the Western Canada Lottery Corporation, Tom Shaheen, Executive Director of the North Carolina Education Lottery, and Rose Hudson, President of the Louisiana Lottery Corporation.

On behalf of the Awards Committee, I would like to thank member lotteries for submitting entries for the Powers, Batchy, Hickey and Delegate Awards. It promises to be an exciting and successful awards program, and I look forward to seeing you all in Oklahoma City.

The Powers Awards and Ott Brown Scholarship

It's the time of year again when NASPL and its member lottery organizations honor individual achievement with the presentation of the prestigious Powers Awards and Ott Brown Scholarship. The award winners will be presented during the NASPL '09 Opening Ceremony Awards in Oklahoma City, OK on Wednesday, October 7th.

Powers Award Nominations were accepted for lottery employees, as well as on- and off-line vendor employees, in the areas of sales, marketing, operations, administration and public relations/communications.

Ott Brown NASPL Scholarship applicants must be from the lottery industry and have served in a formal, professional capacity for at least two years. In order to be considered, individuals had to apply to the NASPL Scholarship Review Committee.

Each individual nominated for the awards deserves our congratulations and recognition for his/her outstanding commitment and dedication to the lottery industry.

And this year's nominees are...



Paul Arnell
Director of Promotions
Illinois Lottery

Over the past five years, Paul Arnell has been dedicated to enhancing numerous areas of the Illinois Lottery's marketing division with strategic insight, precise execution and charming wit.

As the director of promotions, he continues to dazzle his colleagues with exciting promotional/experiential campaign opportunities and marketing sponsorships that generate Lottery buzz around the state. He also oversees new media endeavors, manages cross-promotional corporate partnerships and

negotiates licensing opportunities that keep our products in front of existing and potential players.

Arnell doesn't see the barriers he faces in his position as obstacles, but rather opportunities. He is, in the truest sense of the word, a communicator. His versatility and ability to see what's coming next - while maintaining focus on present objectives - have placed him at the forefront of his profession.

As one of the Lottery's stronger negotiators (nicknamed "the grinder"), Arnell continues to secure extremely favorable sponsorship rates, including ongoing partnerships with the Chicago Cubs, White Sox, Bulls and Blackhawks. No one would have ever guessed that the "Million Dollar Minute" promotion Arnell created with the Chicago Blackhawks would have worked so well. During only the third home game of the 2009 season, a randomly selected Hawks fan won \$1,000,000 compliments of the Illinois Lottery, when a goal was

scored at the ten minute mark of the second period. The fans went wild and so did the media. The lottery received over a million dollars in "free" publicity throughout the state and across the nation.

Arnell played a key role in recruiting the Lottery's designated experiential marketing firm, which has widely expanded potential-player audiences. Through development of emerging-market campaigns - such as the incredibly popular Rock Paper Scissors Tournament - Arnell has made the Illinois Lottery relevant to new players by bringing our products to them where they work and play. And the payoff has been huge. We don't typically judge the sole success of an experiential marketing campaign by the sales it generates, but we have over \$5.4 Million worth of reasons to cheer about this program.

By negotiating key sponsorships and securing licensing, Arnell has made tremendous efforts to ensure the Lottery's continued success. In

addition to his big vision, Arnell has a gift for expertly addressing details. Well loved and respected by all who he works with, Arnell has kept the lottery top of mind with partners and consumers alike. Arnell has the ability to see projects through from concept to reality. Through the evolution of each game, event and program Arnell oversees, he adds tremendous value to organization.



David Barden
Director, Marketing and Product Development
 South Carolina Education Lottery

David Barden, Director of Marketing and Product Development has been nominated for his hard work, dedication and continuous efforts in successfully seeking added value opportunities to market the Lottery products. His initiatives have allowed the Lottery to maximize dollars turned over to the state.

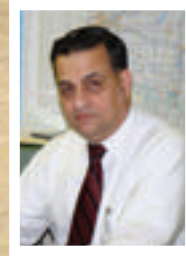
In the period from May 1, 2008 through April 30, 2009, the Marketing and Product Development Department operated under a budget that had not changed since June of 2005. However, under Barden's leadership, SCEL received hundreds of thousands of dollars in "extra value" due to a series of "smart" decisions and initiatives. These extra value benefits can be clearly documented. Despite the Commission's very conservative approach to budgeting marketing dollars, Barden increased lottery exposure on TV, radio and other media, both traditional and non-traditional. Every "smart" dollar spent translated into more dollars for education. The following are just a few examples of

how an increase in media exposure was negotiated without increasing the advertising budget for fiscal year 2008-2009.

- Increased the number of weekly radio traffic reads by 400 annually, saving \$30,000.
- Increased the total Target Rating Points (TRPs) in TV by 15,600 to 54,266.
- Added one TV station and two cable systems to the annual buy.
- Increased weekly cable frequency by 20 percent, while at the same time reducing the cost by 20 percent.
- Spent the exact same amount as last year for TV/Cable combined, yet added TRPs and flight weeks in all broadcast markets.
- Increased flight weeks to 52 weeks, doubling viewership for SCEL's TV/Cable advertising.
- Converted spot lengths from 30's to 15's to double the number of games advertised.
- Increased online presence through banner advertising with television stations, providing SCEL with added-value exposure.
- Saved \$20,271 over last year with In-Venue Sports Media, providing \$784,625 in media value for a \$416,029 actual fund commitment.
- Received \$75,125 in additional media value through event marketing.
- Negotiated additional media weight mid-year due to the economic downturn, ultimately giving SCEL a 25 percent increase in frequency, totaling \$1,666,119 in added value.

In addition to increasing advertising exposure with a limited budget,

Barden recognized the demand and opportunity to provide an additional revenue stream by offering the use of transmission services through a dedicated fiber connection located at the South Carolina Education Lottery's draw studio. One major network has used the studio for national broadcasting purposes. Fees for using the studio offset SCEL's operating expenses, thus increasing net profits.



Charles "Chuck" Conzo
Regional Sales Manager
 Illinois Lottery

Charles Conzo brings a wealth of knowledge to the lottery. He readily shares his experience across departments. He has been through with the Lottery during boom times and also when sales have cooled. He understands sales cycles and knows what works and what does not.

Conzo also brings management experience to the Lottery sales team. He is in one of the centrally located areas of the state, and he helps other Regional managers understand their roles and how to get the best out of their sales teams.

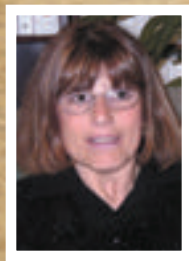


Sarah Cummins
Director of Marketing
 Illinois Lottery

One of the reasons why the Illinois Lottery continues to flourish is due to the leadership of

Melton is the “institutional memory” of the West Virginia Lottery and in some respects the State of West Virginia. He can cite most laws from memory and then eloquently explain the reasoning behind each aspect of why and how it was written. His knowledge of his craft and his ability to resolve difficult issues has been relied upon not only by the Lottery, but also by the Department of Revenue and the Governor of West Virginia.

Unequivocally, John R. Melton has been not only amassed a litany of admirable accomplishments in the past year, but he has also continued to exhibit that he is, in fact, a priceless asset to the West Virginia Lottery, the State of West Virginia, and to the lottery industry as a whole.



Barbara A. Porto
*Vice President, Operations
and Administration*
Connecticut Lottery Corporation

Barbara Porto’s tenure with the Lottery has spanned 37 years, during which time her dedication to excellence has never wavered. Though her career has included many significant achievements, she has been nominated for the hard work and commitment exhibited during the development, awarding and implementation of an RFP that resulted in this organization’s most comprehensive and challenging system conversion ever in 2008.

Porto has been a valued and respected member of Connecticut’s Lottery business since 1972, when she joined Division of Special Revenue (DOSR) as one of the first employees of the newly created

Lottery unit. Porto brought energy, enthusiasm and dedication to her role as a Field Representative. Earning recognition for her efforts to problem-solve and attention to detail, Porto quickly became a “go-to” person for many of the Lottery’s managers.

Her strong leadership and operational skills have allowed her to pursue opportunities in the Sales, Retailer Services, Marketing, Administration, and most notably, the Operations area of the business. Within each of these areas, her contributions have been integral to the success and advancement of the agency mission to maximize revenues for the state.

Tapped to lead the corporation’s RFP process for the implementation of a new technology system, Barbara became immersed in every facet of the \$40 million initiative. Working tirelessly, she dedicated immeasurable amounts of personal time to ensure that due diligence had been done. Seeking solutions to every possible problem and its solution, she challenged herself, her staff and the vendors to excellence. For more than a year prior to the release of the RFP, she coordinated a program of diligence, working with consultants, legal, sales, finance, warehousing, DOSR, marketing and resources officials to ensure that the RFP was detailed, defensible and comprehensive.

The meticulous planning and attention to detail shown by Porto ensured a review and successful selection process that excelled. Porto’s knowledge of Lottery Operations gained from a lifetime of service has served both she and the Lottery well. Today, the Connecticut Lottery Corporation has a state-of-the-industry system, designed to allow the organization the opportunity to grow as needed and required. In 1999, she committed herself to issues of responsible play, and was a part of the founding team for the Connecticut Partnership for Responsible Gambling. Working to ensure the balance of the Lottery’s

mission to raise revenue for the services and programs supported by the General Fund with its promise to support responsible play initiatives is a challenge Porto faces and embraces. As a part of the Connecticut Lottery Corporation Speaker’s Bureau, Porto is proud to share the Lottery’s vision and action plan with citizens across the state.

Porto’s goal has always been to create a lottery for which the state and its stakeholders can be proud. She brings projects from concept to reality with diligence, professionalism, and with a high level of respect for those persons with whom she interacts.

AdMart

213 W. Main Street
Danville, KY 40422
800-354-2102
Booth #129

Alchemy3

1725 Windward Concourse, Ste. 150
Alpharetta, GA 30005
770-442-6993
Booth #107

Bally Technologies

6601 S Bermuda Rd.
Las Vegas, NV 89119
702-584-7744
Booth #127

Betware

Holtasmari 1
Kopavogur, Iceland 201
48226375761
Booth #172

Bruce Lawrence Promotions, Inc.

2970 Maria Ave., #212
Northbrook, IL 60062
847-564-8669
Booth #105

Carmanah Signs

#4 203 Harbour Rd.
Victoria British Columbia
Canada V9A 3S2
250-412-8321
Booth #171

Diamond Game

9340 Penfield Ave.
Chatsworth, CA 91311
818-727-1690
Booth #159

Elsym Consulting, Inc.

Two Barrett Lakes Ctr,
1825 Barrett Lakes Blvd, Ste. 260
Kennesaw, GA 30144
770-590-7400
Booth #164

FillBoard Media

6669 Peachtree Industrial Blvd., Unit F
Norcross, GA 30092
770-441-0778
Booth #115

Foster & Freeman USA

46030 Manekin Plaza #170
Sterling, VA 20166
888-445-5048
Booth #175

Gambling Compliance

91 Waterloo Road
London, UK E1 8RT
44 207 921 9980
Booth #123

Go Plastics LLC

515 Brown Industrial Pkwy
Canton, GA 30114
770-345-0535
Booth #174

GTECH Corporation

10 Memorial Blvd.
Providence, RI 02903
401-392-7489
Booth #133

IGT

6355 S. Buffalo Dr.
Las Vegas, NV 89113
702-896-8795
Booth #131

IMAGENation Promotional Group

2720 N. May Avenue
Oklahoma City, OK 73107
405-917-5766
Booth #160

InfoTek Research Group

2010 West Lincoln Ave., Suite #2
Yakima, WA 98902
504-249-9182
Booth #121

International Gamco

9335 North 48th St.
Omaha, NE 68152
800-524-2626
Booth #170

INTRALOT SA

64 Kifissias Ave. & 3 Premetis St.
Athens, Greece
151 25
011-30210-6156000
Booth #145

Ipsos

600, 635 8th Ave. SW
Calgary, Alberta Canada T2P 3M3
250-541-0755
Booth #169

J & S Gaming

12 May Hill Lane
Dix Hills, NY 11746
516-655-6926
Booth #177

NASPL Member Lotteries



ARIZONA LOTTERY
Jeff Hatch-Miller, Executive Director
4740 E.UNIVERSITY
PHOENIX, ARIZONA 85034
TEL: (480) 921-4400
FAX: (480) 921-4488
www.arizonalottery.com



COLORADO LOTTERY
Jack Boehm, Director
212 WEST 3RD ST, SUITE 210
PUEBLO, COLORADO 81003
TEL: (719) 546-5200 (Pueblo)
TEL: (303)759-3552 (Denver)
FAX: (719) 546-6847 (Pueblo)
www.coloradolottery.com



ARKANSAS LOTTERY
Ernie Passailaigue, Executive Director
PO BOX 3238
LITTLE ROCK, AR 72203-3238
TEL: (501) 683-2000
FAX:



CONNECTICUT LOTTERY CORP.
Anne M. Noble, President & CEO
777 BROOK STREET
ROCKY HILL, CT 06067
TEL: (860) 713-2800
FAX: (860) 713-2805
www.ctlottery.org



ATLANTIC LOTTERY CORPORATION
Michelle Carinci, President/CEO
P.O. BOX 5500
922 MAIN STREET
MONCTON, NEW BRUNSWICK
E1C 8W6 CANADA
TEL: (506) 867-5800
FAX: (506) 867-5881
www.alc.ca



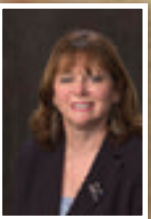
DELAWARE LOTTERY
Wayne Lemons, Director
1575 MCKEE ROAD, SUITE 102
DOVER, DELAWARE 19904
TEL: (302) 739-5291
FAX: (302) 739-6706
www.delottery.com



BRITISH COLUMBIA LOTTERY CORPORATION
Michael Graydon, President & CEO
Jim Lightbody, Vice President Lottery Gaming
74 WEST SEYMOUR STREET
KAMLOOPS, BRITISH COLUMBIA
V2C 1E2 CANADA
TEL: (250) 828-5508
FAX: (250) 828-5637
www.bclc.com



D.C. LOTTERY & CHARITABLE GAMES CONTROL BOARD
Jeffrey Young, Executive Director
2101 MARTIN LUTHER KING JR. AVE. S.E.
WASHINGTON, DC 20020
TEL: (202) 645-8000
FAX: (202) 645-3683
www.dclottery.com



CALIFORNIA LOTTERY
Joan Borucki, Director
600 NORTH TENTH STREET
SACRAMENTO, CALIFORNIA 95814
TEL: (916) 323-7095
FAX: (916) 323-7087
www.calottery.com



FLORIDA LOTTERY
Leo DiBenigno, Secretary
250 MARRIOTT DRIVE
TALLAHASSEE, FLORIDA 32301-4002
TEL: (850) 487-7777
FAX: (850) 487-7709
www.flalottery.com



MAINE STATE LOTTERY
 Dan A. Gwadosky, Director
 10 WATER STREET
 HALLOWELL, ME 04347
 MAILING: #8 STATE HOUSE
 STATION
 AUGUSTA, ME 04333-0008
 TEL: (207) 287-3721
 FAX: (207) 287-6769
 www.mainelottery.com



MISSOURI LOTTERY
 Larry Jansen, Executive Director
 MAIL: P.O. BOX 1603
 JEFFERSON CITY, MO 65102-1603
 1823 SOUTHRIDGE DRIVE
 JEFFERSON CITY, MISSOURI 65109
 TEL: (573) 751-4050
 FAX: (573) 522-1630
 www.molottery.com



MARYLAND STATE LOTTERY
 Buddy Roogow, Executive Director
 MONTGOMERY PARK BUSINESS
 CENTER
 1800 WASHINGTON BLVD. ,
 SUITE 330
 BALTIMORE, MARYLAND 21230
 TEL: (410) 230-8800
 FAX: (410) 230-8728
 www.mdlottery.com



MONTANA LOTTERY
 George Parisot, Director
 2525 NORTH MONTANA
 HELENA, MONTANA 59601-0542
 TEL: (406) 444-5825
 FAX: (406) 444-5830
 www.montanalottery.com



**MASSACHUSETTS STATE LOTTERY
 COMMISSION**
 Mark Cavanagh, Executive Director
 60 COLUMBIAN STREET
 BRAINTREE, MASSACHUSETTS
 02184
 TEL: (781) 849-5555
 FAX: (781) 849-5546
 www.masslottery.com



NEBRASKA LOTTERY
 Jim Haynes, Director
 P.O. BOX 98901
 1800 "O" Street, Suite 101
 LINCOLN, NEBRASKA 68509-8901
 TEL: (402) 471-6100
 FAX: (402) 471-6108
 www.nelottery.com



**MICHIGAN BUREAU OF STATE
 LOTTERY**
 Scott Bowen, Commissioner
 P.O. BOX 30023
 101 EAST HILLSDALE
 LANSING, MICHIGAN 48909
 TEL: (517) 335-5600
 FAX: (517) 335-5651
 www.michigan.gov/lottery



**NEW HAMPSHIRE LOTTERY
 COMMISSION**
 Rick Wisler, Executive Director
 P.O. BOX 1208
 CONCORD, NEW HAMPSHIRE
 03302-1208
 14 INTEGRA DRIVE
 CONCORD, NEW HAMPSHIRE
 03301
 TEL: (603) 271-3391
 FAX: (603) 271-1160
 www.nhlottery.org



MINNESOTA STATE LOTTERY
 Clint Harris, Exec. Director
 2645 LONG LAKE ROAD
 ROSEVILLE, MINNESOTA 55113-2533
 TEL: (651) 635-8100
 FAX: (651) 297-7496
 www.mnlottery.com



NEW JERSEY LOTTERY
 William Jourdain, Acting Director
 MAILING: P.O. BOX 041
 TRENTON, NEW JERSEY 08625-0041
 ONE LAWRENCE PARK COMPLEX
 BRUNSWICK CIRCLE
 LAWRENCEVILLE, NEW JERSEY
 08648
 TEL: (609) 599-5800
 FAX: (609) 599-5935
 www.njlottery.net



TENNESSEE EDUCATION LOTTERY CORP.

Rebecca P. Hargrove, President & CEO
PLAZA TOWER, METROCENTER
200 ATHENS WAY, SUITE 200
NASHVILLE, TN 37228
TEL: (615) 324-6500
FAX: (615) 324-8002
www.tnlottery.com



WASHINGTON'S LOTTERY

Christopher Liu, Director
814 E. 4TH AVENUE
OLYMPIA, WASHINGTON 98506
P.O. BOX 43000
OLYMPIA, WASHINGTON 98504-3000
TEL: (360) 664-4800
FAX: (360) 586-1039
www.walottery.com



TEXAS LOTTERY COMMISSION

Gary Grief, Deputy Executive Director
611 EAST SIXTH STREET
AUSTIN, TEXAS 78701
MAILING: P.O. BOX 16630
AUSTIN, TEXAS 78761-6630
TEL: (512) 344-5000
FAX: (512) 478-3682
www.txlottery.org



WEST VIRGINIA LOTTERY

John C. Musgrave, Director
312 MACCORKLE AVENUE S.E.
CHARLESTON, WEST VIRGINIA 25314
MAILING: P.O. BOX 2067
CHARLESTON, WEST VIRGINIA 25327
TEL: (304) 558-0500
FAX: (304) 558-3321
www.wvlottery.com



VERMONT LOTTERY COMMISSION

Alan R. Yandow, Executive Director
1311 US RTE. 302 - SUITE 100
BARRE, VERMONT 05641
TEL: (802) 476-0100
FAX: (802) 479-4294
www.vtlottery.com



WESTERN CANADA LOTTERY CORP.

David Loeb, President
10TH FLOOR, 125 GARRY STREET
WINNIPEG, MANITOBA R3C 4J1 CANADA
TEL: (204) 942-8217
FAX: (204) 946-1442
www.wclc.com



VIRGINIA LOTTERY

Paula I Otto, Executive Director
900 E. MAIN STREET
RICHMOND, VIRGINIA 23219
TEL: (804) 692-7000
FAX: (804) 692-7102
www.valottery.com



WISCONSIN LOTTERY

Michael J. Edmonds, Director
2135 RIMROCK ROAD, SUITE #231
MADISON, WISCONSIN 53713
MAIL: P.O. BOX 8941
MADISON, WISCONSIN 53708-8941
TEL: (608) 261-8800
FAX: (608) 264-6644
www.wilottery.com



VIRGIN ISLANDS LOTTERY

Conrad Francois, Acting Exec. Dir.
8A ROSS ESTATE
BARBEL PLAZA
ST. THOMAS, U.S.V.I. 00802
TEL: (340) 774-2502
FAX: (340) 776-4730
www.vilottery.org



October 6 - 9, 2009
NASPL '09 Annual Conference.
Oklahoma City, Oklahoma.

NASPL EVENTS

May 17 - 22, 2010
Lottery Leadership
Hosted by NASPL
Registration Fee @ \$750

June 21 - 24, 2010
NASPL Spring Directors Meeting
Coeur d' Alene, Idaho
Hosted by the Idaho Lottery
Coeur d' Alene Golf & Spa Resort

July 19 - 22, 2010
*NASPL Legal, Warehouse, PR,
Audit, Accounting, Security,
I.T. & Sales/Marketing
Subcommittee Meeting*
Madison, Wisconsin
Hosted by Wisconsin Lottery
Madison Concourse Hotel

September 22 - 24, 2010
NASPL '10 Annual Conference
Grand Rapids, Michigan
Hosted by the Michigan Bureau
of State Lottery
Amway Grand Plaza Hotel
J.W. Marriott Hotel

La Fleur's

November 9 - 12, 2009
La Fleur's 2009 Conclave
Loew's Portofino Bay Hotel
Orlando, Florida

March 27 - 31, 2010
La Fleur's 2010 Symposium
Renaissance Mayflower Hotel
Washington, D.C.

WLA

October 26-28, 2009
World Meet 2009
CIBELAE / WLA Cooperation
Santiago de Chile
Hosted by Polla Chilena de
Beneficencia

NACS SHOW

October 20 - 23, 2009
Las Vegas Convention Center
Las Vegas, Nevada
www.nacsonline.com

OTHER EVENTS

Global Gaming Expo (G2E)
(www.globalgamingexpo.com)
has reached an agreement with
Las Vegas Convention Center
officials that shifts dates for
the show to November for the
remainder of the decade. The
change began in 2006.

*Confirmed G2E dates through
2010 are:*

- 2009 - November 17-19
- 2010 - November 16-18



operation **stylot**

The new Style of Gaming... STYLOT

Stylot is the latest, most innovative device that has set new trends in gaming. Based on a tested and trusted technology, Stylot provides a revolutionary alternative to the traditional way of gaming at the points of sale. Players can use it as easily as a regular pen to mark their choices, which are then automatically transmitted to the system. Thanks to Stylot, players experience technology with a human touch.

INTRALOT's Stylot creates new potential for Lotteries and the gaming industry!

intralot

Responsible Gaming is an integral part of INTRALOT's solutions. Our state-of-art technology and operational expertise enable us to implement responsible gaming practices on behalf of our customers. At INTRALOT... we care a LOT.

Sales Refreshment

(Now Available in 6 Packs)



MDI
A SCIENTIFIC GAMES COMPANY

For more information call us toll free at 1-800-5-72-7082.
Visit our web site at www.mdientertainment.com.