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CONTENTS

FEATURED INTERVIEWS



12



14



16



20

12 Lessons learned over the last 18 months

Pat McDonald, *Director, Ohio Lottery; Lead of the Mega Millions Consortium*

14 Lessons learned over the last 18 months

Brian Rockey, *Director, Nebraska Lottery*

16 Applying a wise strategy informed by experience to the management of the youngest lottery in the U.S.

Jeff Hewitt, *President, Mississippi Lottery Corporation*

20 Unlocking the full value of Scientific Games Lottery for the benefit of its customers

Pat McHugh, *President & Chief Executive Officer, Scientific Games Lottery*



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Subscriptions

Annual Public Gaming International magazine subscription rates:

United States: \$145 USD

Canada & Mexico: \$160 USD

All other countries: \$225 USD

Public Gaming International Magazine

Published six times a year and distributed to readers all around the world. Electronic version is e-mailed and is also available on our news website:

PublicGaming.com

November/December 2021

Volume 50, Issue 6

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Public Gaming Research Institute

cISSN: 1042-1912



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FEATURED ARTICLES

- 22 A Favorite Alarm Clock Rings Out: New Opportunities for Lottery**
Srini Nedunuri, Vice President PlayLottery, IGT
- 24 Megatrends: Forecasting can be a tricky business**
Jim Acton, Lottery Industry Consultant
- 28 U.S. Lottery History on display in Maine Tri-State Lottery Celebrates Its Past, Looks to its Future**
Jim Acton, Lottery Industry Consultant
- 30 Ready-Set-PLAN: Investing in Innovation to maximize impact on revenues and jumpstart your 2022 goals, Scientific Games**
- 32 Future Forward and Purpose-Driven: Confronting a new set of Opportunities, Risks, and Consumer Expectations, IGT**
- 38 The Future of Work, Part I: Commentaries from the Florida, New Jersey, and Virginia Lotteries**
- 42 The Future of Work, Part II: Where do Lotteries go from here?**



DEPARTMENTS

- 8 From the Publisher** *Paul Jason*
- 10 Photo Collages of:**
Lottery Industry Hall of Fame and Statesman Awards Ceremonies
Women's Initiative in Lottery Leadership (WILL)
Scenes from PGRI Lottery Expo Nashville Conference
- 18 Early Insights: Monday Draws and Double Play®**
MUSL NEWS (Multi-State Lottery Association)
- 47 Pulse of the Industry: Synopsis of Recent Gaming Industry News**



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videos of conference presentations

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PGRI conference information

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From the Publisher

Wow. Who'd a thunk that we would still be struggling with the pandemic after all this time? Thankfully, we were able to follow through with our in-person conference in Nashville the end of October. Lottery Expo was a big success – biggest attendance ever and fabulous presentations, panel discussions, and social functions. There was a wonderful feeling of optimism about the future and enthusiasm for being able to actually see each other again. Many of the videos are posted to PGRItalks.com. Executive summaries of the high-points will be published in the next issue of the magazine. Thank you all so much for coming to celebrate the joy and privilege of being a part of this great industry!

Next up is **Smart-Tech Miami on March 1, 2, and 3**. The conference hotel venue will have been announced by the time you are reading this. Please visit PublicGaming.org, our conference website, for more information and updates on Smart-Tech Miami. You can also access all of our digital products by way of our main news website PublicGaming.com.

It seems like we have been talking about and planning for the “post-pandemic” era of Lottery for more than a year now, and we’re anxious for it to arrive. As we learned from the presentations and panel discussions of Lottery Expo Nashville, and from industry publications, and from our own experience and observation, lottery industry leaders are not waiting to implement ambitious business plans and initiatives that have consolidated Lottery’s position as the most popular game that has ever existed. (I just googled that “most popular” statement and see that “Heads or Tails” comes in first, Dice comes in second, and Powerball comes in third. So I figure if we added all the other lottery games together with Powerball, then Lottery Games would come in first.)

It is not the strongest of the species that survives, nor the most intelligent; **it is the one most adaptable to change.**” — Leon C. Megginson

This quote is widely attributed to Charles Darwin, but Darwin did not actually say that. The basic idea was central to *The Origin of the Species*, but it was a management consultant who, in 1963, paraphrased Darwin’s thesis into the form that is now probably applied as much in the science of business management as to biological evolution. I am struck by Megginson’s (Professor of Management and Marketing at Louisiana State University at Baton Rouge) explanation of what it means to be “adaptable”. It’s not about the bold transformational change that is heralded by the masters of the universe inventors of the next big thing. I find Megginson’s basic principles for strategic adaptation to accurately reflect the values of the leadership of the lottery industry, and to be decidedly different from the bombastic “move-fast-and-break-things” culture of Silicon Valley or whatever the current hot-spot of technological innovation happens to be.

Megginson: “To best prepare for the trials of tomorrow we -- the leaders of change -- choose to align around shared values that transcend businesses, boundaries and borders. These values include:

- **People and culture** over tools and technology
- **Always-on adaptation** over one-time change
- **Evolutionary change** over revolutionary disruption
- **Flexibility** over firm plans and structures
- **Strategic action** over endless analysis
- **Collaboration and inclusion** over competition and exclusion
- **Curiosity** over certainty

This more mature approach to change and adaptation aligns with the complex environment within which government-lotteries operate. A diversity of stakeholders (the good causes supported by Lottery, but also political constituents, media,

retailers, consumers, etc.) value prudence as much as boldness. Just as importantly, it is simply smart business strategy for the dominant incumbent to protect its position rather than take the high-risk/high-return approach that may work well for start-ups with little to lose. Lottery is a \$200+ billion-dollar-business globally, and \$100+ billion-dollar-business in the U.S. alone. That is a lot to lose and therefore a lot to protect.

Champions of radical disruption trot out examples like Kodak and Blockbuster Video to support their admonition to “innovate or die”. The experience of the last eighteen months Lottery has revealed Lottery to be the embodiment of the above adaptability values cited by Megginson, and the vision of how to drive “evolutionary change” that stays consonant with the market-place, with mega-trends, and with our customers. Our leaders look at the ways in which our players want to connect with us, and pursue those pathways to achieve that within the constraints of our regulatory statutes, responsible gaming standards, and our business model. The approach values sustainability and stability while modernizing to meet and exceed the expectations of our players and retail channel partners.

As I write this on the morning of Thanksgiving, and I am thinking about all that we have to be so grateful for, I think it is a good time to extend a hearty thank-you to the leadership of this industry for your thoughtful yet visionary guidance through these difficult times. And a thank-you and congratulations to all of you who are dedicated to serving the good causes supported by the government-gaming industry.

Paul Jason, Publisher
Public Gaming International Magazine

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A portrait of Angela Wong, a woman with long dark hair, smiling, wearing a dark blazer and a pearl necklace. The background is a solid purple color.

CONGRATULATIONS,

on your induction into the PGRI Lottery Industry Hall of Fame, Class of 2021. As GLI's director of Lottery Solutions, you have worked closely with our lottery clients and engineering teams to identify technical and business challenges facing U.S. and international lotteries. You've championed the industry in leadership roles with the Montana Lottery, the NASPL and the MUSL for over a decade. Thank you for your dedication; we are proud to celebrate you as a 2021 Lottery Hall of Fame Inductee. Congratulations,

ANGELA WONG.

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AWARD CEREMONIES

HELD ON OCT. 27 AT PGRI LOTTERY EXPO NASHVILLE



LOTTERY INDUSTRY HALL OF FAME INDUCTION CEREMONY



John Schulz, Senior Vice President, Instant Products and Partner Services, Scientific Games Lottery

Angela Wong, Director of Lottery Solutions, Gaming Laboratories International (GLI)

Wendy Montgomery, Senior Vice President, Brand, Marketing and Communications, IGT



LOTTERY INDUSTRY STATESMAN AWARD



Lynne Roiter, Secretary General of the World Lottery Association (WLA), Former President and Chief Executive Officer, Loto-Québec



WOMEN IN LOTTERY LEADERSHIP SEMINAR



Rebecca Paul, President & CEO, Tennessee Education Lottery Corporation, President World Lottery Association, Founder & Chair of Women's Initiative in Lottery Leadership, and Co-Host Lottery Expo Nashville

Becky Magura, President & Chief Executive Officer, Nashville Public Television (NPT)

Deb McDermott, Founder & Chief Executive Officer, McDermott Media Group (MMG)

Tracey Rogers, Vice President and General Manager of WKRN-TV, the ABC affiliate in Nashville, Tennessee

Lynne Roiter, Former President and Chief Executive Officer, Loto-Québec Secretary General of the World Lottery Association (WLA)

May Scheve Reardon, Executive Director, Missouri lottery; Chair of Powerball Group



1 Mark Michalko, Scott Kenyon, Brad Cummings, Merv Huber-Calvo, Derek Levesque, Stephanie Weyant, Mike Lightman 2. Gretchen Corbin 3. Jennifer Westbury 4. Rebecca Paul, Lorne Weil, Steve Saferin, Brooks Pierce, Mike Chambrello 5. Lynne Roiter 6. Jason Lisiecki 7. Rebecca Paul 8. Lorne Weil & Steve Saferin 9. Stephanie Weyant Fidler 10. Sarah Taylor 11. Matt Strawn 12. Meghan Dondero 13. Jay Gendron 14. Paul Jason 15. Drew Svitko 16. Michelle Carney 17. Bishop Woosley 18. Scott Kenyon & Brad Cummings 19. Shannon DeHaven 20. Kristen Pare 21. Brooks Pierce 22. Max Goldstein 23. Pat McHugh 24. Rebecca Swindle 25. Julin Shaw 26. Richard Bateson 27. Merv Huber-Calvo & Derek Levesque 28. Byron Boothe 29. Mike Lightman 30. Jesse Saccoccio 31. Gary Grief 32. Doug Pollard 33. Terry Presta 34. May Scheve Reardon 35. Darrell Smith 36. Richard Bateson, Byron Boothe, Pat McHugh, Doug Pollard, Jay Gendron .

LESSONS LEARNED OVER THE LAST 18 MONTHS



Pat McDonald, Director, Ohio Lottery
Lead of the Mega Millions Consortium

PGRI INTRODUCTION: Pat McDonald was named Director of the Ohio Lottery in February 2019. Prior to his appointment, Pat began serving as a member of the Ohio Lottery Commission in 2007 and has served as Chairman for the last eight years. Under his leadership, the Commission added Committees on Responsible Gambling and Audit to review and refine the agency's management practices.

As Director, Mr. McDonald oversees a \$4 billion operation through the sale of traditional lottery games at nearly 10,000 licensed retailers and the regulation of the video lottery terminals at Ohio's seven racetracks. In FY2021, the Ohio Lottery produced \$4.3 billion in sales resulting in a \$1.36 billion transfer to the Lottery Profits Education Fund.



Paul Jason: As Lead of the Mega Millions Consortium, could you comment on how the direction and initiatives of Mega Millions may be evolving over the next couple years?

Pat McDonald: While I don't have any announcements to make at this time, the Mega Millions consortium continues to evaluate game enhancement options to keep Mega Millions on the forefront of consumers' minds.

We're watching the impact of the recent Powerball change, but exploring all options (add-on games, price point, prize matrix, etc.) to see what makes the most sense.

Prior to being named Lottery Director in 2019, you served for twelve years on the Lottery Commission, the last eight as the chair. How does that service prepare you for and inform your leadership of the state lottery?

P. McDonald: My service on the Commission occurred at a time of growth for the

Lottery. During my tenure, the Commission approved new games and helped stand up a new regulatory structure for Video Lottery Terminals (VLT) at Ohio's seven racetracks.

While it wasn't my role to get involved in the day-to-day operations, I was able to get to know the staff—many of whom work for me today—and understand the impact of innovative ideas on our bottom line (education). For example, when I was first appointed, the Lottery added KENO to its product portfolio. This addition has been wildly successful. Last year alone, KENO exceeded \$575 million in sales. In 2012, the first racino, Scioto Downs, opened its VLT facility as a licensed video lottery retailer. Today, there are seven racinos under the Lottery's purview and they brought in over \$365 million in profit in FY'20.

How might the Ohio regulatory environment change over the next couple years: Is sports-betting or iLottery on the horizon?

P. McDonald: Recently, the Ohio Legislature authorized the Veteran and Fraternal clubs to offer charitable electronic instant bingo within their facilities. While we remain neutral on that, we pay close attention any time another competitor for the consumer's discretionary dollar comes into play. My job is to ensure that we meet (and hopefully exceed) the funding we've committed to Ohio's Lottery Profits Education Fund, and I intend to continue to innovate to stay competitive.

The Legislature is currently debating both sports betting and iLottery. Obviously, as Lottery Director, I would like to implement iLottery as we've seen how it brings in new players and is quite successful in the states that do offer it already; however, at this time, we are waiting on a decision from the Legislature.

What do you think the post-pandemic work-environment/work-style will look like? Full return to in-person office operations, or hybrid system with staff spending some days working from home?

P. McDonald: The silver-lining of the pandemic, if there is one, is that we've seen how our employees can thrive while working from home. I've reviewed long-term plans with my senior management team which will include a hybrid work environment for most departments.

How is the game portfolio likely to evolve? Which game categories do you expect to trend up over the next couple years?

P. McDonald: Given that our lottery is 47 years old, we have an expansive game portfolio. However, I've challenged my sales team to increase the penetration of our \$20 and \$30 games and work towards adding a \$50 scratch-off ticket by the time we turn 50.

Keno/monitor games are continuing to grow. We've seen double-digit gains the past few years, and as the world gets back to normal, I anticipate continued growth in that category.

Additionally, we're seeing growth in the fast-play games. This past year we added a \$40 EZPlay® progressive that is doing quite well.

Lastly, we've found that there are more

While many of these programs were in our plans, the pandemic accelerated some, based on need.

cross-promotional opportunities across product lines (i.e. scratch-offs and EZPlay) that expose players to different play opportunities. Tying cross-promotions to known licensed properties, like PAC-MAN, helped us engage with the wider player community last year.

The pandemic has caused consumer lifestyles and shopping behaviors to change, which in turn has caused changes to the way we do business. Some of these changes may revert back to a pre-pandemic "normal", while others may not. What do you think the post-pandemic world will look like – how will it be different from two years ago?

P. McDonald: With over 10,000 retailers, we've seen the impact of the pandemic across the board. For example, it seems like the pandemic accelerated the modernization of customer services in the grocery store environments. We've seen increased use of

their curbside and delivery services, which can be challenging when lottery games are primarily sold in-store. On the other hand, the bars and restaurant businesses are returning to a pre-pandemic world but are certainly looking to make up for the revenue losses the pandemic brought. This has provided an opportunity to recruit new retailers and we've been able to expand the number of lottery games offered within these establishments as well.

How have the changes instigated by the pandemic changed the way business is done going forward, and the way the Ohio Lottery will serve its retailers and lottery players going forward into the post-pandemic era?

P. McDonald: We've instituted many enhancements for our players during the pandemic. While many of these programs were in our plans, the pandemic accelerated some, based on need. For example, when

Continued on page 37



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LEARNING FROM THE EXPERIENCE OF THE LAST 18 MONTHS

Brian Rockey, Director, Nebraska Lottery

PGRI INTRODUCTION: Brian Rockey was appointed director on July 1, 2016. But he served in a wide variety of lottery industry positions in the years prior, including Marketing Manager with the Lottery, from startup in 1993 through 2011. He then worked for IGT, the primary contractor for the Nebraska Lottery before returning to the Nebraska Lottery and Charitable Gaming Division as its Director.

Sales in FY2021 increased by double-digits over FY2020. Let's talk about how the adversity of the last 18 months can be a catalyst for positive change and ongoing success for the benefit of good causes.



Paul Jason: Do employers need to apply new tools to effectively manage remote workers – like software to measure performance and productivity?

Brian Rockey: Of course, project management software that has been around for years and is always being improved upon is intended to serve much of that purpose. But, to your question, I think everyone is exploring ways to enhance the process of managing remote work as the work-style of the future will almost certainly include a larger component of remote work. The Nebraska Lottery is a division of the Department of Revenue which has been a proving-ground for managing remote work in Nebraska's state government. You'll recall that it happened almost overnight that everyone stopped coming to work. The first week of March of last year, everyone was in the office, in the field, or at PGRI's Miami conference, and it was business as usual. By the end of the second week of March, everyone was in "shelter-at-home" mode. Quite the dramatic change that threatened to turn everything

upside down. But immediately we began to apply project management metrics more rigorously than ever to clarify time spans, intermediate benchmarks, and MBO (management-by-objectives) markers. We now have a wealth of experience and data to inform the next steps towards professionalizing the management of remote work.

At the peak of the response to the pandemic, most departments including the Lottery, were at about 70% of staff working remotely, out-of-the-office. The Tax Commissioner's goal was that the departments get to about 50/50 in the office and out-of-the-office. Some state government agency offices, including the Lottery, are more fully reconstituted, with a larger percentage having returned to working in the office. Given fewer in-office workers, we have been able to effect a more socially-distanced work environment. And we developed what some call "hoteling" areas that have work-stations set up to serve multiple workers who spend some but not all their time in the office. And we have large counter-spaces with docking stations

for anyone to set up quickly and easily.

Many people think that video-conferencing is no replacement for in-person meetings.

B. Rockey: Of course, video-conferencing will never completely replace in-person meetings. Nobody wants that to happen. And nobody expects that it will ever happen. But perhaps more interesting than lamenting the constraints to travel and in-person meetings is to look at how resourceful everyone has become in our efforts to use the tools available to us to get the job done. Video-conferencing has proven to be a remarkably effective tool to enable personal, albeit remote, interaction and collaboration. So much so that in my opinion it will continue to be used as much going forward as it has been over the last 18 months.

I don't think we would have discovered the incredible utility of video-conferencing if the pandemic had not thrust us into an immersion learning process. Now that we have climbed that steep learning curve, we

Continued on page 44



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Jeff Hewitt, President, Mississippi Lottery Corporation

PGRI INTRODUCTION: With a career in the lottery industry beginning in 1987, Jeffrey L. Hewitt was selected to serve as the Mississippi Lottery's second president, beginning July 1, 2021.

Prior to his appointment to lead the Lottery, Jeff served as Senior Vice President of Sales and Marketing at the Mississippi Lottery where he began as an original start-up employee in June 2019. He supervised everything from retailer recruitment, brand establishment, build-out of lottery headquarters to new product/instant ticket development.

Before joining the startup of the Mississippi Lottery, Jeff was the Interim General Manager for the Illinois Private Management Project with Intralot. He provided direction as a liaison between Intralot, Camelot and Illinois lottery executives, managing the terminal conversion. Jeff began his career as a Lottery Sales Representative in Florida and has consistently advanced and expanded his industry knowledge. He joined the Georgia Lottery as a Regional Manager for their start up. Jeff moved to the vendor side of the industry working for AWI, IGT- OES, Scientific Games, GTECH (now IGT) and Intralot.

Paul Jason: Do you think we will return to the fully-staffed office environment of pre-pandemic days?

Jeff Hewitt: It is amazing to see how the work has all been accomplished and the results that have been achieved during this time of profound disruption. Video-conferencing has served an invaluable service during this time when in-person meetings were not always possible. But I hope we return to a work-style of easy and convenient in-person communication. I may be 'old school', but I prefer the office setting because it facilitates that personal interaction. That is my personal preference, and it is also my opinion

that teamwork and productivity are enhanced by the traditional office work environment.

I would point out that all across the country, the staffing of stores, delivering tickets, and interacting face-to-face with the customers and colleagues never stopped. Clerks are interacting with hundreds of people every day while they sell our lottery tickets. I think we are glad they did not ever really shelter-at-home. If they can interact with countless anonymous customers who walk through their doors every day, why can't we interact with the members of our more tight-knit lottery team?



I agree. It's time to get on with our lives.

J. Hewitt: Of course, we need to be mindful of the problem, and sensitive to everyone who feels an ongoing need for social distancing. But I think we also need to face the reality that dangerous viruses will be our new normal for awhile and we need to find ways to balance our need for safety with the need to go about business and life in general.

Drawing on your many years of working in both the commercial and government lottery sectors, how would you describe the differences between the commercial and government lottery in terms of management styles, work environments, project management and accountability systems and such?

J. Hewitt: They are quite different worlds to work in. I thought I knew the business

Continued on page 45

Speed and convenience has become the standard expectations for consumers, who want a fluid, integrated experience for all their retail needs.

Who has time to queue at different checkouts for different products?

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EARLY INSIGHTS: MONDAY DRAWS AND DOUBLE PLAY®

After expanding Powerball's draw lineup for the first time in nearly 30 years, the Multi-State Lottery Association (MUSL) has some early insights on the performance of Monday Powerball® drawings and the new add-on feature, Double Play®. Powerball debuted its third weekly drawing on Aug. 23, 2021, along with Double Play in select jurisdictions. The launch occurred during a jackpot cycle that culminated with a \$699.8 million jackpot in the October 4 drawing. The jackpot, won by a single ticket in California, was the 5th largest in Powerball history, and the game's first jackpot won on a Monday night.

So, what have the first few weeks of sales shown us?

1. There has been no evidence that Double Play is cannibalizing Powerball or Power Play® sales. In fact, participating lotteries have collectively seen a 7.4% incremental increase on top of base Powerball and Power Play sales since introducing the feature.
2. Year-to-date comparisons of Fiscal Year 2021 and 2022 show Powerball and



Power Play® sales are up 101%.

3. While it may be too early to determine whether the addition of a third weekly Powerball drawing will continue to drive incremental revenue, the jackpot cycle immediately following the \$699.8 million win is showing promising signs.

Double Play has hit several high notes since launching in 13 U.S. lottery jurisdictions: Colorado, Florida, Indiana, Maryland, Michigan, Missouri, New Jersey, Pennsylvania, Puerto Rico, South Carolina, South Dakota, Tennessee,

and Washington. Powerball tickets that include Double Play for an additional \$1 per play are eligible to win prizes in both the Powerball drawing and a separate Double Play drawing, which also offers 9 ways to win. Instead of a rolling jackpot, Double Play has a \$10 million top cash prize. Just five weeks into sales, the Maryland Lottery sold the first Double Play ticket to win the \$10 million prize.

"The jackpot was rolling along at almost \$550 million when the \$10 million Double Play ticket was sold, so it was already an exciting time," said

Maryland Lottery and Gaming Director John Martin. "But this took it to a whole different level. We also had a \$50,000 third-tier Double Play winner on Oct. 23, so the fact that people are winning substantial prizes means it's getting a lot more attention. We're very happy with the results of Double Play so far."

Player participation for Double Play varies by jurisdiction, but multiple lotteries are recording participation percentages in the double digits. Puerto Rico is one of those lotteries. Unlike other Double Play lotteries, the Puerto Rico Lottery is requiring a qualifying

purchase of Power Play (\$1) before Double Play (\$1) can be added to a Powerball ticket (\$2) making for a \$4 purchase. Puerto Rico Lottery Director Armando Perez Cruz credits several factors for Double Play's success among his player base, including the popularity of Revancha, the secondary draw for Puerto Rico's lottery game, Loto Plus.

"Our players were already familiar with the secondary draw concept because of Revancha," noted Perez Cruz. "On top of that, players have shown us they like the option to enhance their Powerball ticket and game experience, which made Double Play a natural fit in our product lineup."

Double Play's positive score sheet hasn't gone unnoticed. Additional lotteries have expressed interest in offering Double Play in the first or

second quarter of Fiscal Year 2023.

Fiscal Year 2022 has gotten off to a strong start because of the ticket sales spurred by the \$699.8 million jackpot run, but the Multi-State Lottery Association is being pragmatic about the sales uptick. The Association still has a lot of ground to cover to reach game sales recorded in the previous fiscal year, and an even bigger lift is needed to achieve the sales benchmark set in Fiscal Year 2016 with the world record \$1.586 billion jackpot. However, MUSL remains focused on its immediate goal of achieving 10% annual revenue growth, as outlined in its newly approved Strategic Plan.

"MUSL is seeking sustained year-over-year revenue growth," said J. Bret Toyne, MUSL Executive Director.

"Double Play directly supports

two of the three components in our growth plan – increase sales of existing products and increase the number of products offered by MUSL."

The Powerball Product Group added the Monday drawing with the intent of producing bigger, faster-growing jackpots. In addition, the higher frequency of play was anticipated to increase the number of cash prizes and jackpots awarded on an annual basis, and ticket sales from a third weekly drawing and Double Play were expected to increase contributions to lottery beneficiaries. While it's premature to determine whether those objectives have been fulfilled, game leaders are finding some encouraging indications in the jackpot cycle immediately following the \$699.8 million win.

Under the new tri-weekly

draw schedule, the Powerball jackpot was able to grow from \$20 million to \$123 million in the first four weeks. Compared to the previous jackpot cycle that started with bi-weekly drawings, the Powerball jackpot only reached an estimated \$101 million in the first four weeks. Toyne noted several benefits if the trend remains consistent across additional jackpot cycles.

"The faster jackpots can be fully funded, the smaller the prize liability is for participating lotteries," Toyne said.

"Powerball is a jackpot-driven game with many players waiting on the sideline until the jackpot reaches an enticing amount, which goes higher and higher every year. If we can get to those enticing jackpot levels quicker, it's a win-win for players, lotteries and beneficiaries." ■



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UNLOCKING THE FULL VALUE OF SCIENTIFIC GAMES LOTTERY FOR THE BENEFIT OF ITS CUSTOMERS

Pat McHugh

President & Chief Executive Officer, Scientific Games Lottery

PGRI INTRODUCTION: Following is a discussion about the implications of the sale of Scientific Games Lottery to Brookfield Business Partners L.P., and why the future looks bright indeed for customers and stakeholders of Scientific Games Lottery.

Paul Jason: What an interesting time this is for the industry in general, and now Scientific Games Lottery in particular.

Pat McHugh: We are very pleased with the way everything unfolded and very excited for the opportunities that lie ahead for Scientific Games Lottery and our customers. Brookfield brings to bear tremendous resources that will accelerate our innovation and growth plans to serve our customers. Brookfield is a highly diversified investment company with \$625 billion under management. They have a portfolio of investments in long-term assets such as major real estate development, infrastructure, and renewable energy. Many of these are in highly regulated industries, and they understand government stakeholder environments. They look for companies in industries with a long growth history and trajectory, with strong market leadership positions, innovative vision, and strong leadership teams. Their investment in Scientific Games Lottery will allow our leadership team to continue running this very

successful global lottery business with accelerated investment in our growth plans. It says a lot that we were selected to be a part of Brookfield and their investment partners' impressive portfolio of companies, and we will have the benefit of access to more capital resources.

So Brookfield will be involved in the formulation of long-term strategy but give you the space to execute your vision for Scientific Games Lottery?

P. McHugh: That's correct. We appreciate the high-level vision and expertise they bring to the boardroom and the guidance they will provide as we evolve Scientific Games Lottery to capture opportunities in a changing marketplace. The Brookfield team will assist us in the application of the most progressive and effective business practices, and in identifying the best way to allocate capital resources and where we might add strategic acquisitions that are focused on lottery. Brookfield also has a deep understanding of the global marketplace and relationships with



governments based on their extensive experience with large-scale infrastructure development. That expertise will certainly enhance and inform our approach towards the development of a broad global strategy.

And Brookfield recognizes the important role that Scientific Games Lottery's culture, decades of lottery industry experience, and our management team plays in driving success for the benefit of all stakeholders – customers and employees, as well as shareholders.

Could you describe a little bit about what Scientific Games Lottery will look like? Where do things like SciPlay, sports-betting, and iLottery land in the final organization of assets?

P. McHugh: Everything our customers know about Scientific Games Lottery today stays the same, with some ad-

ditional assets in our iLottery business. Our global management teams, our offices, our product services will all stay the same. iLottery and our lottery sports-betting platform and services remain with Scientific Games Lottery. The company's SG Digital group previously provided services to both the lottery and the casino gaming sides of the business. Those will now be separated with iCasino as part of the Gaming group, and iLottery staying with Scientific Games Lottery.

Scientific Games' digital platforms, products, and services expanded significantly in the last few years with the acquisition of NYX Gaming Group. Scientific Games Lottery currently has over 20 lottery sports betting contracts around the world. For example, the last sports betting launch we did was the national sports betting program in Turkey. We have tripled the sports-betting handle and gross gaming revenue since taking that over in 2019. Those increases elevated the Turkey sports betting program to become, we believe, the largest government-sponsored sports-betting platform in the world. Scientific Games Lottery's platform, lottery retailer terminals, and lottery sports-betting engine are powering the program and have driven the handle to about \$12 billion U.S. and about \$3.5 billion in gross gaming revenue.

That's huge. So the digital platform is being decoupled so that it can go to Scientific Games Lottery and stay with Scientific Games and thereby support both sectors. And SciPlay?

P. McHugh: SciPlay is the company's social casino business that remains with the Scientific Games Gaming Group. Sideplay Entertainment, a UK-based leading eInstant game content studio, was acquired by Scientific Games in August. The game studio had already been contributing to our high-performing iLottery program in Pennsylvania, and other large iLottery markets like the U.K., but now its portfolio of innovative digital instant games has been integrated with Scientific Games Lottery's eInstant portfolio. And we are already initiating additional acquisitions to build our portfolio of digital games for customers.

Scientific Games' CEO Barry Cottle refers to achieving a goal of "de-levering" the balance sheet for Scientific Games. But isn't that accomplished by moving \$6 billion off the Scientific Games' balance sheet onto the balance sheet of Scientific Games Lottery/Brookfield?

P. McHugh: This is not a restructuring of debt. This is a restructuring of the assets and the enterprises that generate profit. Both sides of this equation are now in a much better position to optimize return on assets. Speaking for Scientific Games Lottery, think of this as an investment strategy for our business. The free cash flow generated from our business will now be retained by Scientific Games Lottery to be invested in the lottery sector for the benefit of our customers as well as Brookfield's shareholders. Instead of our lottery business unit profits going to service high interest debt of our parent company, this should be viewed as a multi-billion-dollar investment by a private equity company putting their capital to work with a long view towards return on investment. Scientific Games Lottery has always delivered excellent free cash flow that will now be retained to support the financial objectives of Brookfield shareholders which includes optimizing the success and growth of our business. Brookfield's investment in Scientific Games Lottery has put us in a much stronger financial position, and that benefits everyone.

Are there any preliminary insights into where Scientific Games Lottery goes from here – new initiatives or strategic shifts?

P. McHugh: Historically, Scientific Games has been both an instant product company and a lottery systems company. It is now our goal to accelerate the strategy of integrating the two so that we focus on simply being the best lottery company for our customers. It is an important distinction as the games and enabling technologies and services are now being developed and delivered as an entire ecosystem with a focus on producing the best player experience. Producing great games and products and executing on all operational fronts will always be mission-critical. But

it is now the focus on the player experience that drives our increasing investment in business and data analytics which shapes the development of our games, promotional strategies and operations.

Second, our approach to the lottery business is evolving away from being transactional, with a focus on producing and promoting product for the purpose of maximizing game sales. It is now more about bundling products, games, technology, and services that help our customers optimize the long-term relationship with the players and retailers as well as maximizing near-term sales and proceeds to their beneficiaries. Scientific Games Enhanced Partnership, or SGEP, is the full-service collaboration that has produced the best results for our customers because it takes a holistic approach towards integrating instant scratch games with analytics, logistical and customer support services, game design services, and technology.

Our iLottery program in Pennsylvania functions much like a digital equivalent of SGEP. Our partnership with the Pennsylvania Lottery involves us in a wide range of value-adding services. Scientific Games Lottery delivers all the enabling technology, advises our partners on the whole portfolio of digital games, provides the consumer CRM and digital engagement initiatives, and is always poised to identify new ways to enhance performance and results. Now we want to do the same thing in the lottery systems business. We're applying our analytics to inform our approach towards managing the whole portfolio of games and promotions.

You know how Apple changed everything by shifting the whole focus of the consumer electronics industry away from features and functionality over to the user experience? Well, we have shifted the focus from transactional engagement to developing content and channel enterprise solutions and relationships – with our customers, with the consumers, with the retailers. That is the way to drive long-term sales growth for our lottery customers, and that's where we want to go with the business. ■

A Favorite Alarm Clock Rings Out New Opportunities for Lottery

IGT's Srimi Nedunuri, Vice President PlayLottery, shares his view on digitizing the lottery player experience.

Would you be surprised to hear that 83% of Americans use their mobile phone as an alarm clock? According to a recent study by Reviews.org, the phone is literally the first item most of the nation reaches for in the morning. Knowing that, it's easy to envision all the other ways we've become reliant on mobile technology. We use our phones not only to wake up but to watch our favorite shows, order food, and purchase items online and at retail. To speed up the purchase transaction at my local coffee shop, I simply tap to pay, and to make things even easier for me, the reward points are automatically applied to my account. Mobile has become so powerful that many of us use it for virtually everything.



Now that things are opening up after Covid, consumers want to go back to retail. Many are still a little apprehensive, but they are accessing the contactless payment options that are now widely available. Lottery

players are no different. They are looking to lottery operators to give them the same kind of cashless and contactless options they experience elsewhere in their retail journeys. IGT has responded to this need with an **eWallet** app feature that gives players the option to fund their eWallet from multiple payment providers or top-up funds at a retail store. They can also set deposit and transaction limits to purchase responsibly.

Using the eWallet to make contactless lottery purchases modernizes the purchase flow, just like using mobile devices to make any other retail payment.

What's more, it's not an internet transaction, so any lottery can implement the feature, whether regulated to offer internet wagering or not. This is the next step lotteries can take to enhance their player journeys.

The Path to Connected Play

IGT has created the ability to gain a full, end-to-end, 360-degree view of players through their transactions, whether at retail or online. This is an important part of what IGT calls Connected Play. We're working to support lottery customers in this effort by providing innovative convenience features that players want, such as the ability to create digital playslips and save them to **My Favorites** to prevent them from being lost. We solved an age-old problem of how to remove friction and anonymity from the player flow by replacing it with options that give players more choice and convenience. We're able to provide lotteries with the data needed to keep improving and tailoring their products and marketing messages.

As part of our big-picture vision for the digitized retail future, we're also excited about the forthcoming launch of IGT's

Scan & Redeem app feature, because it's one of the ways lotteries can start to remove contact and cash from the retail journey — and dramatically enhance player convenience.

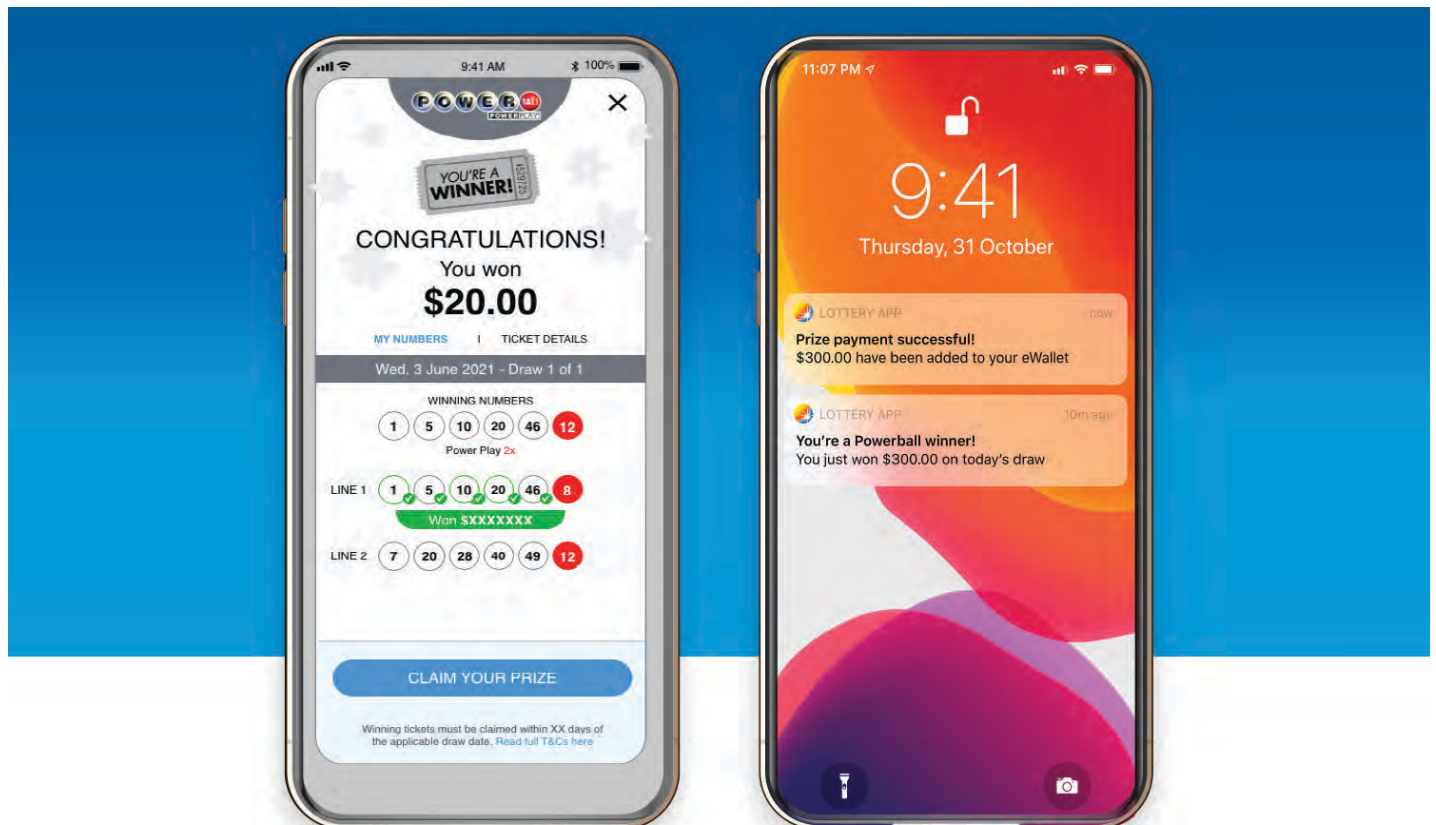
Using the IGT Scan & Redeem function via their lottery's mobile app, players can check their own instant or draw game tickets and claim low tier prizes from anywhere they wish — whether that's in-store, from the comfort of home, or from another convenient spot. This alone is a major new feature for players that adds greatly to their convenience. Another benefit is realized in-store: The retailer scans the player's app and the lottery payment is extracted from the player's **eWallet** balance, again modernizing lottery purchases just like buying my morning coffee through my favorite coffee-shop app. Redeemed prizes are safely stored within the player's eWallet for future lottery purchases.

Again, the great news for players and retailers — and the largest benefit to

lotteries — is that this functionality is open to all lotteries, as Scan & Redeem is a retail transaction, rather than an online transaction. Lotteries don't need to have iLottery to offer their players the convenience of scanning and redeeming their prizes.

This is just a glimpse into modernizing the lottery player journey. IGT's **market-leading and award-winning mobile app** offers a robust convenience and wagering feature-set that lotteries can take advantage of now in order to meet the expectations of lottery players in 2021 and beyond — and all those consumers who start the day with their phone at the ready.

For more information about IGT's award-winning app, please contact your account manager. ■



The Scan and Redeem feature will enable players to scan draw and instant tickets to redeem winnings back to an eWallet for future purchases or withdrawal.

MEGATRENDS: FORECASTING CAN BE A TRICKY BUSINESS

Jim Acton, Lottery Industry Consultant

WHAT'S NEXT?



Methods for predicting the future: 1) read horoscopes, tea leaves, tarot cards, or crystal balls . . . collectively known as "nutty methods;" 2) put well-researched facts into sophisticated computer . . . commonly referred to as "a complete waste of time."

Scott Adams, Artist, Cartoonist, Creator of the Dilbert comic

The past two years have certainly given credence to this quote from the creator of the Dilbert cartoons. Everything we thought might happen in 2020 was altered when the pandemic hit in March of that year. We rang in 2021 hoping that the new year would bring in a new atmosphere. And, well, not so much.

While more precise predictions like “how will the stock market trend” or “what gadgets will be the surprise hit this year” can be impacted and informed by societal issues and events like the COVID-19 breakout, tracking and projecting larger big-picture trends is a bit more reliable. These “Megatrends” – powerful, historically-relentless forces that reshape society, the economy, and have transformative impact on our lives – things like electricity, air flight, cars, the Internet, the Kardashians – are longer term in nature, are less swayed even by events as consequential as a pandemic, and impact all aspects of the world. Identifying these Megatrends that are shaping the way consumers shop and buy products, work, play, and live their lives, informs the way businesses develop new products and services.

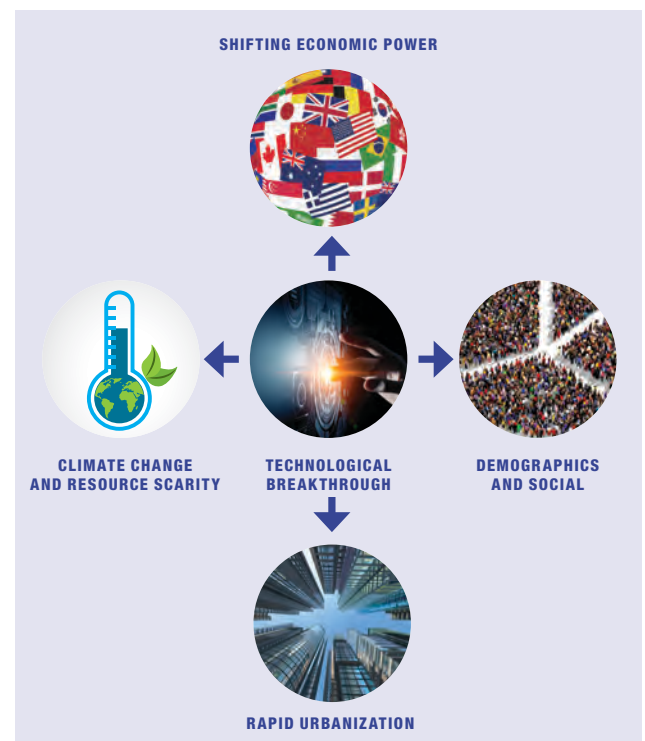
And this certainly includes lottery player-ship and market-place dynamics. Our day-to-day activities can be so incredibly time consuming that the long view is often lost in the shuffle of prize structures, jackpots,

inventory maintenance, hiring staff, and all this amidst the more recent phenomenon of non-stop video-meetings. But the future of our organizations depends on identifying these Megatrends, monitoring them closely and understanding how they are reshaping the way people perceive and interact with the lottery.

WHO MONITORS MEGATRENDS?

Particularly interested in Megatrends are investment companies. As the arbiters of capital allocation, investment bankers try to look into the future to decide which industries make the most sense for them and their clients to invest in. BlackRock, the New York-based investment company with more than \$9 trillion under management, proclaims on its website: “Megatrends influence our investment decisions – from the businesses, industries and countries we invest in to the way we go about finding opportunities.” Let’s piggy-back on BlackRock’s research and braintrust.

Earlier this year, BlackRock identified these Megatrends:



Each has its own unique set of impacts which include:

Climate change and resource scarcity

could result in crop failure, widespread flooding, destroyed habitats and energy shortages.

- Western diets will become increasingly plant-based
- Renewable energy will fully replace fossil fuels

- Technological advancement will yield man-made materials

Demographics and social change could see labor shortage, demand on healthcare and change consumer demands

- Substantial healthcare spending will create huge opportunity in this sector
- Robots will replace people to plug the labor gap
- People will need more money to fund a lengthy retirement

Technological breakthrough means machines will learn faster than humans and personal data will be a valuable commodity.

- Traditional consumer goods produced by technology companies
- The global economy should grow as the world becomes more productive
- Technology will enable solutions to climate change and population problems

Rapid urbanization will result in space and accommodation becoming more of an issue in major cities.

- A whole new city infrastructure could be required
- Car ownership will become obsolete as autonomous, summon-able cars become mainstream
- The healthcare system will need to change to cope with demand

Shifting economic power is focused China as the new superpower, Asia's rapidly growing population and the changing global demographics.

- The political sphere of influence could shift from Washington to Beijing
- Businesses could become more powerful than countries
- We're all going to need to talk Mandarin

MEGATRENDS AND THE IMPACT OF COVID-19

One thing that is notable about BlackRock's MegaTrends is that they don't directly address the number one global topic since the beginning of 2020 – COVID 19. Certainly no one in the lottery industry can talk about revenue

results without discussing the positive jolt most lotteries received during the pandemic. Overall, nothing has impacted our recent lives more than the pandemic and looking to the future, particularly the future of consumer activity, the effects of COVID-19 have to be examined. Will the forces that contributed to increased lottery sales continue or were the past 20 months just an outlier? Focusing on the consumer, and the changing landscape of consumer behaviours and activities, is one way to glean insights into what the future may hold.

Market research company Frost & Sullivan recently released its "Transformative Mega Trends Shaping Post-COVID Consumer Behavior", looking at five areas of influence:

Home: The pandemic has compelled consumers to interact with and embrace contactless technologies because of concerns about health and hygiene. The home has morphed into a center of work, entertainment, and wellness.

Work: The conditions that enable workplace bonding are dissolving as many people continue to work from home and express reluctance to return to an office. Employees will demand more visibility and transparency in this environment through digital collaboration. Technology and work cultures have changed to enable the engagement of global talent pools working from remote locations.

Healthcare: Many aspects of the healthcare journey will become inherently data based. Consumers will demand control over their personal health data to manage their health and wellness and make better-informed decisions.

Leisure: Price-sensitive consumers are pivoting to marketplaces (e.g., Amazon) from individual brands. Targeted outreach will be a must in spreading awareness about products and service to smaller audiences with similar values and traits on social platforms. Virtual entertainment will be in demand.

Mobility: Enabled by new connectivity technologies, cars will become points of health, wellness, and well-being with end-to-end, omnichannel experiences. With an emphasis on health, safety, and perhaps an ongoing preference for social distancing, shared mobility/carpooling will be on the decline.

What this means for consumer-focused industries such as lottery is that while our products continue to be highly popular, the avenues for sales and consumption have been altered. As society, consumer shopping behaviour, and the market-place is reshaped by COVID-19; so too must lottery change, adapt, and re-align with the "new normal". Frost & Sullivan suggests the following:





Extreme personalization of the consumer journey:

Advanced natural language processing devices and interactive digital assistants, combined with Big Data and AI, will extract meaning from unstructured datasets to analyze customers' preferences, modes of communication, and relationships across diverse user groups to enable a high level of personalization. Basically, machinery and software that track our behaviour and shopping activities will learn our tendencies and be ready to provide us with products before we even know we need them.

Internet of Home: As homes become a central hub with the ability to seamlessly switch between other connected environments, including offices and fitness centers, companies must develop multifunctional solutions that control multiple products and devices.

Digital mental health care: As consumerization is permeating every corner of our lives, healthcare delivery is moving towards patient-centric models. Patients want to stay connected and engaged with their healthcare providers. It is essential to use personal health data to understand a patient's daily behavior, challenges, and motivating factors and modify engagements accordingly. This level of personalization requires the application of digital technologies such as AI and predictive analytics.

WHAT IT MEANS FOR LOTTERY

One thing that has happened over the past 20-plus months is incredible innovation. This shouldn't surprise anyone. During the bubonic plague in the 17th century, London

was locked down and the University of Cambridge sent its students home. One of those students, Isaac Newton, passed the time in his garden and, the story goes, watched an apple fall. Thus was born the concept of gravity. Fast forward to the semi-lockdown of 2020 and early 2021. Some things never change. Dramatic disruption continues to be the catalyst for inspiration and creativity: **there were twice as many patents granted in the United States in 2020 as in 2019.** And I'm sure all of us know examples of the incredible ingenuity and resourcefulness of lottery operators adapting, innovating, creating new games, and inventing new business processes over the last 20 months.

Would a pre-pandemic futurist have predicted that lottery would turn out to be the primary form of recreational gaming available for a period of time; that casinos would be shuttered, and professional sports take a complete hiatus? Most likely not. But now, with 20/20 hindsight, we can understand how the forces unfolded to produce an outcome that surprised us at the time. The study of Megatrends illuminates those underlying dynamics that are shaping our future so that we might be even better equipped to respond and adapt to the unfolding of an uncertain future.

The Megatrend of Home becoming the "center of work, entertainment and wellness" relates directly to trends that may affect the behavior of lottery players. With many workers not having returned to their offices, and some being told it will never happen, or that working from home is an option that is up to the worker to decide – home has taken on even greater importance. These

consumers who no longer have commutes that put them in convenience stores and close proximity to other lottery retailers need more options for connecting with their favorite lottery games. That is where digital lottery fills a need. The post-pandemic consumer focus on the home as the center of more and more activities has ratcheted up the urgency for lotteries to make the products available online. While it continues to be the case that the majority of lottery sales happen in the retail channel, it is also true that the post-pandemic lifestyles of consumers includes a massive shift of attention towards the internet as the source of entertainment, commerce, and social bonding.



The states with iLottery have seen incredible growth over the past two years. And those who are not authorized to offer products via the internet have seen growth in their player's embrace of digital activities like second chance draws, players clubs, apps that keep players abreast of jackpots and new games and such, etc.. It is more important than ever for legislators in all states to empower their own state lotteries with the regulatory approval and tools to make all lottery products available online.

The bottom line is that Megatrends as diverse as climate change, AI, consumer life-styles, and health care impact the lottery industry the same way they impact airlines and accounting firms. Endeavoring to understand the big picture trends will help us to prepare for the future, to anticipate societal and economic changes that affect consumer behavior and the market-place, and to take full advantage of the incredible opportunities that lie ahead. ■





U.S. LOTTERY HISTORY ON DISPLAY IN MAINE

TRI-STATE LOTTERY CELEBRATES ITS PAST, LOOKS TO ITS FUTURE

Jim Acton, Lottery Industry Consultant

Back row: Directors -
Gregg Mineo (ME),
Charlie McIntyre (NH),
Sabina Haskell (VT)

Front Row: Commissioners -
Deborah Douglas (NH),
Julie Sheehan (ME),
Ed Flanagan (VT)

A little more normalcy returned to the lottery industry in early November. In Maine's famous coastal town of Kennebunkport, roughly a mile from the "Summer White House" of the two Bush presidents, representatives of the Tri-State Lotto Commission and the vendors who work with them gathered for the first time since Fall 2019. It was a time for reunions and a serious look at what lies ahead.

It is not hyperbole to say that these three small-population states, tucked in the northeast corner of the country, have had an oversized impact on the lottery industry. New Hampshire was the first lottery in the United States, starting as the NH Sweepstakes in 1964. Edward Powers, director of the New Hampshire Lottery from 1963-1978, was one of the founders of NASPL.

In 1984, the three states collaborated to launch Tri-State Megabucks. Seven years

before Powerball and 11 years before Mega Millions (first known as the "Big Game"), the nation's first multi-state consortium was formed. Three lottery directors, George "Skip" Jones in New Hampshire, Richard "Spike" Carey in Maine and George "Bud" Dacey in Vermont, created the new group to offer a game with larger jackpots which accrue from the increased liquidity/player-ship of the combined populations.

Fast forward 36 years and billions of dollars given away by subsequent multi-jurisdictional games, and the Tri-State Lotto Commission (as it is now known), is still going strong. Today's directors – Charlie McIntyre in New Hampshire, Gregg Mineo in Maine and Sabina Haskell in Vermont – welcomed lottery vendor representatives from throughout the country to the meeting in Maine. To say that everyone was happy to be together would be an understatement.

"These past 20 months have been difficult for everyone and we all have missed seeing in person, the people who make this

industry unique," said Charlie. "While Tri-State meets every other month, the two twice-annual larger meetings are unique opportunities for vendors to discuss larger trends and new products in the industry in an intimate setting. I think we're all glad to re-start these meetings."

At the November meeting, companies such as Scientific Games, Intralot and NeoPollard presented updates on the state of the industry as well as what products they are now offering. But the unique nature of the Tri-State meetings is that vendors such as Alchemy3, Bulletproof and EQL Games had the chance to meet with lottery representatives as well. If there is enough time in the day, the Tri-State Lotto Commission welcomes commercial partners of all sizes to join the group for open discussions.

"As this was my first large-group Tri-State meeting as Director, I was pleased at the collaboration and open discussion among lottery representatives and vendors," said Sabina Haskell, Vermont Lottery Director who took the lottery reins in April. "This

Continued on page 37

SG INSTANTS

The Games Might Be Instant
But Their Impact Can Last a Lifetime

Last year in the U.S. alone, players won more than **\$37 billion** in instant game prizes.
Even better, the instant game generated more than **\$10 billion** for good causes.

Let's keep changing lives – together.

Reimagine
Next



Reimagine **Next**

READY SET PLAN

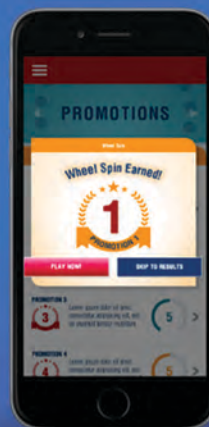


Jumpstart your 2022 goals with some great ideas on where to invest and innovate for maximum impact on revenues – and returns to your lottery's beneficiary programs.



Game On!

Life is always an adventure for your players with exciting new *THE GAME OF LIFE*™ instant games. Make it larger than life on an oversized *Gigantix*® ticket.



NextGen™ Mobile App

Connecting the retail and digital experience, this app integrates the lottery's players club, second-chance promotions, instant and eDraw games, player account management, and online wallet.



Gem | Intelligence®

Manage your retailer relationships like a boss with a suite of cloud-based software that keeps you connected and improves retail performance and operational efficiencies.



Sparkle® Select

Add some wow to any scratch game with a Strategic Product Enhancement proven to impact sales – and unlimited creative options in 10 colors and 15 patterns, that's 150 different combinations!



Give this Linked Game a Spin

THE PRICE IS RIGHT™ linked game features an exciting second-chance promotion offering lottery winners a trip to Las Vegas and a chance to win up to \$50 million in the *COME ON DOWN! Challenge*.



We Are Family

Deliver more fun at every price point. There's a game for everyone in high-performing families of games like the 5X, 10X, 20X, 50X and 100X multiplier family.



Get In On the Action

Sixteen of the world's lotteries trust Scientific Games with their sports betting solution, including one of the largest state-sponsored sports betting market in the world.



Award-winning PlayCentral® HD

The intelligent ecosystem of SCiQ comes to award-winning player self-service technology, integrating directly with your retailers' POS systems.



Scientific Games Enhanced Partnership

Four of the Top 5 lotteries in the world participate in a performance-driving instant game program encompassing all aspects of product management and driving 45% higher per capita sales*.



eInstant Games

Take a look at the top-performers from the industry's most innovative eInstant studios, a winning combination of exciting play experiences from Sideplay Entertainment and Scientific Games.

FUTURE FORWARD AND PURPOSE DRIVEN

The impacts of the pandemic brought with them a new set of opportunities, risks, and consumer expectations. IGT provides an update on how the company is staying ahead of the challenges and operating responsibly to support customers.

Among other award-winning initiatives, the **company's North American printing facility in Lakeland, Florida**, was recognized for the second time with an **FTA Sustainability Excellence Award**, given to companies that show their commitment to developing sustainable package-printing solutions. In this and other ways, the Lakeland operation enables lottery customers to **participate in a sustainably minded instant-ticket supply chain.**



T

he pandemic spurred a time of reassessment for businesses, individuals, and communities, as health concerns collided with financial and social ones for people around the world. Unsurprisingly, the broader relationship between business and society is receiving greater public attention as well.

Global consumer trends agency Foresight Factory, IGT's longtime partner, projects that "with COVID-19 contained, climate change will become the dominant global threat" and, importantly, "it will increasingly be viewed as a social issue." Tackling climate change is increasingly a goal for governments as well as consumers.

Through the efforts of employees around the world, IGT works to ensure that responsible and sustainable practices are woven into the fabric of its day-to-day operations. Now entering its 14th

year of publishing a sustainability report, the company has been at the forefront in recognizing the interests of a broad range of stakeholders and providing an externally audited document that details the company's sustainability strategy and related data.

Over the past year, IGT has been cited within and beyond the industry for various aspects of its longstanding commitment to social responsibility. Among many distinctions:

- IGT was selected as one of only 325 companies across 50 industries included in the 2020 **Bloomberg Gender Equality Index**, which recognizes companies that are committed to advancing women's equality.
- The gaming industry's **All-In Diversity Project** celebrated IGT as a sector leader in making progress toward inclusion in the workplace.

- Last year, IGT qualified as an Outperformer with **Sustainalytics** and in 2021 was ranked second in the industry by this leading independent global provider of environmental, social, and corporate governance (ESG) ratings to investors.
- **Morgan Stanley Capital Investment (MSCI)** ratings aim to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model. **IGT's rating is at AA**, and with regard to the Casino & Gaming sector it has been ranked among the group of the best performers.

DIRECT & INDIRECT BENEFITS

The benefits of IGT's sustainable approach extend to lottery customers and players.

To cite just one example, some lotteries view the value chain holistically and want to have **options as to how their instant tickets are produced and distributed.**

They can participate in a supply chain with environmentally friendly practices that may also be important to their players, such as managing waste or incorporating environmentally friendly materials in the manufacture of scratch tickets.

"Across sectors, green claims are becoming an issue," notes **IGT's CSR Senior Manager, Stefania Colombo.** "To be realistic and make solid progress on commitments is a step-by-step process."

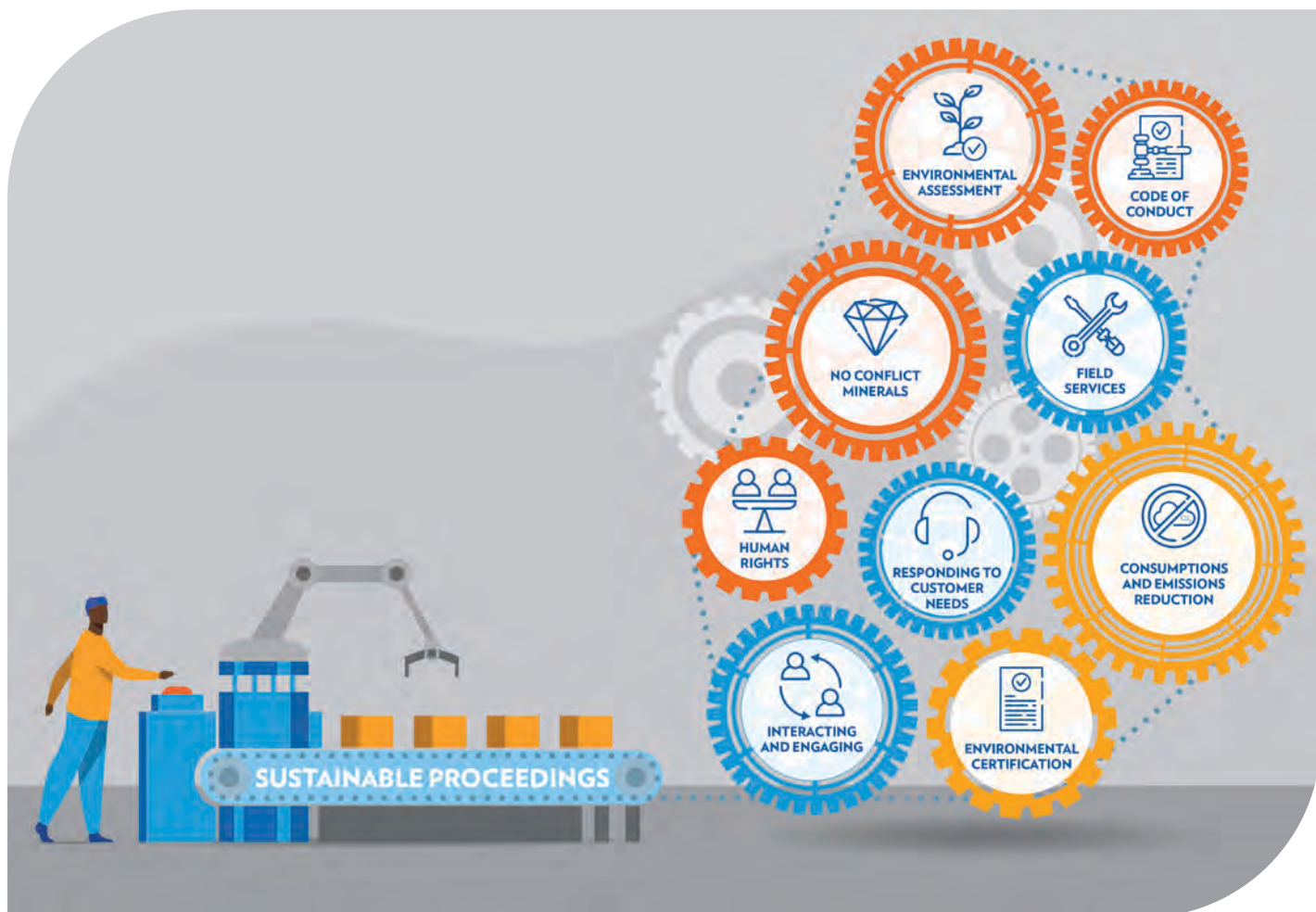
Having stepped up several years ago with a series of initiatives, **IGT's North American printing facility in Lakeland, Florida**, has won two environmental awards in recognition of some of its many sustainable practices:

WATER-BASED PRINTING PROCESS

In 2019, the printing facility in Lakeland started using a **full water-based printing process**, which removed the majority of solvents used in the process, thereby removing air pollutants and volatile organic compounds.

In recognition of this program, IGT won the category of Sustainability Programs in the **2019 FTA Sustainability Excellence Award.**

The program was completed in 2020 with a separate process that removes all solvents from **the plate manufacturing process.** IGT partnered with Kodak to design, alpha, and beta test the process prior to release. It required the development of new plate material that is water-wash compatible and the design of a water-wash system that removes the material not imaged via an aqueous solution containing no solvents.





Scenes from IGT's award-winning North American printing facility in Lakeland, Florida. A range of environmentally friendly practices at this facility allow customers to participate in a sustainably minded

Renewing the facility and significantly reducing pollutants has made the plant a safer place to work, with positive impacts on both the environment and employee well-being.

RECYCLING & WASTE RECLAMATION

In 2020, the Lakeland facility partnered with a waste processing company to reduce the waste sent to landfills, with the goal of reducing the facility's community and local wildlife exposure to environmental issues, reducing the generation of greenhouse gas, and mitigating groundwater contamination from its waste stream.

A significant amount of paper dust is created during the production and packaging of scratch-off tickets, which is then compacted and extruded. While traditional recycling markets are not interested in compacted

dust, IGT's program partner NuCycle fully utilizes the compacted dust by combining it with other combustible products to produce an energy-dense, highly engineered fuel product called **EnviroFuelcubes (EFCs)**, a valid alternative fuel source in the energy-intensive industrial manufacturing and utility power-generation sectors.

But that's just one small piece of the NuCycle program. It also provides for **the conversion of all the other manufacturing waste**, including the plastic buckets and lids that house materials, the packaging waste, any damaged wood pallets and crates, the plate material, film material, roll cores and protectors, roll plugs, and shrink-wrap waste.

The **landfill waste reduction program** at Lakeland targets the production of landfill waste at less than 3% annually. In 2020, the program removed more than seven million

pounds of waste from landfills, of which more than one million pounds was used to make alternative fuel.

In 2021, IGT again won an **FTA Sustainability Excellence Award**, in recognition of the landfill reduction program with NuCycle.

FSC PAPER

IGT relies heavily on the supply of paper for instant ticket production. The company works to reduce the impact of paper consumption on natural resources in line with the commitments of its major paper suppliers, which abide by several environmental standards. These include the **Forest Stewardship Council® (FSC)**, a global, not-for-profit organization which defines standards based on agreed principles for responsible forest stewardship.

The Lakeland facility is certified by a third-party registrar as an FSC Chain of Custody certified facility for paper products. "We exist to serve the needs of our customers, and operating under the FSC certification meets an important need," notes **Keith Cash, IGT Vice President Global Instant Tickets**, and IGT promotes and encourages this use.

REDUCING PLASTICS

To reduce the quantity of plastic pails used to print custom/Pantone Matching System colors, IGT has installed an ink color-match and mixing center on site in Lakeland. This program has greatly reduced the quantity of plastic pails used by IGT's ink suppliers and reduced ink waste, because **the ink is mixed only according to the specific needs of the business product**.

The Lakeland printing facility also has an extensive recycling program in place, whereby **all wastepaper from the printing process is recycled**. For IGT, these steps are only one part of a larger focus on Fostering Sustainable Operations. "By having flexibility and an environmental focus at our printing facilities in Lakeland, our customers have options as to how their tickets are made. It's a good message to consumers that the instant ticket in their hand came from a sustainably minded supply chain," says Keith Cash.

A COMPREHENSIVE REVIEW

IGT's annual sustainability report provides a detailed account of many other aspects of the company's CSR approach. The most recent report, released in July, demonstrates that while the world changed in 2020, IGT's positive momentum and commitment to sustainable growth did not. Like lotteries worldwide, the company thrived through its ability to embrace change and demonstrate immense flexibility to support employees and customers.

During this time, IGT continued to develop specific targets and initiatives that contribute to the achievement of the nine out of 17 **Sustainable Development Goals (SDGs)** that the company has identified as areas of focus within the 2030 **United Nations Agenda for Sustainable Development**.

The approach involves seven working groups comprised of different IGT departments.

IGT has also aligned its sustainability initiatives with the **United Nations Global Compact (UNGC)**, the largest corporate responsibility initiative in the world for the development, implementation, and disclosure of responsible corporate policies and practices.

And IGT continues to develop **Responsible Gaming** solutions that meet and exceed the requirements of various jurisdictions, achieving recertifications and recognition from organizations such as the World Lotteries Association and the Global Gambling Guidance Group. In October 2021, **Jade Luchauer, IGT Corporate Social Responsibility Manager**, received a **Global Regulatory Award** for her outstanding individual contributions to Responsible Gaming. With direct oversight of IGT's Responsible Gaming and Community programs, Luchauer views each program and policy as a stepping-stone for continuous improvement. Among many accomplishments in the past year was her leadership in creating a new governance structure to guide IGT's Responsible Gaming efforts, significantly enhancing the company's Responsible Gaming practices while positively impacting the gaming industry.



IGT's framework for corporate social responsibility is grounded in the company's values and is focused on nine of the United Nations' Sustainable Development Goals. These goals are integrated into the company's four strategic priorities: Valuing and Protecting Our People, Advancing Responsibility, Supporting Our Communities, and Fostering Sustainable Operations.



In late October, IGT released its global **Responsible Gaming Policy**. The policy was created to transparently inform and educate all relevant stakeholders about the company's worldwide programs and solutions designed to promote fair play and comply with requirements and regulations on Responsible Gaming in all jurisdictions in which IGT operates.

"Our customers and employees care a lot about sustainability – it's not an academic exercise," says **Jay Gendron, IGT Chief Operating Officer Lottery**. "Customers come to us and ask us to demonstrate our leadership and commitment. And with about 11,000 employees operating in

more than 100 countries, our sustainability practices are also supported by those strong relationships with our people, customers, and suppliers around the world. Customers – and players – can be confident in our values and our approach as we continue to deliver outstanding customer service, goods and services." ■

Explore IGT's most recent Sustainability Report online now.



our regional offices closed, we found that many players did not feel comfortable mailing in their winning tickets over \$600. Therefore, we accelerated the launch of Mobile Prize Cashing on our website and MyLotto Rewards app.

In addition to mobile cashing, which we limited to prizes up to \$5,000, we also launched an online prize claim form for high-tier prizes above \$5,000. These were the prizes that players were most hesitant to mail to us, and it provided them a secure and convenient alternative which has proven very popular.

Recently, we've enhanced our mobile app, MyLotto Rewards, to allow players to exchange their points for \$5 and \$10 of Lottery cash to be used in retail stores. Thus far, this initiative has been quite popular, and we are seeing approximately an 85-90% redemption rate.

We utilized our social media channels throughout the pandemic to interact with and engage our lottery players. In 2021, we hosted a 30-minute live event on Facebook to promote the PAC-MAN® Scratch-Off. The event was highly successful with nearly 5,000 viewers joining and participating for the entire event. As a result of that success, we are planning for two more live events in December to promote our holiday scratch-offs.

When the pandemic prohibited us from filming our weekly game show, Cash Explosion, with in-person contestants and a live audience, my staff and our studio partner had to develop a creative alternative to ensure we didn't lose our fan base. We came up with a "Play@Home" version of the show that allowed contestants to participate remotely via Zoom. The series developed its own unique charm by

featuring contestants surround by their family and friends with home-made signs and proved very popular with our fans. After a little over a year with the Play@Home series, we have recently returned to in-person play with a live audience but have incorporated some of the most popular features of the Play@Home shows into our game play.

We are entering a very interesting period for the lottery industry, as well as the broader games-of-chance industry. As we leverage our strengths – brand equity, enduring popularity of the games, massive retail network, etc. – we also want to stretch to innovate, modernize, and evolve with our players and the changing tastes and preferences of the consumers. ■

U.S. Lottery History on Display in Maine, continued from page 28

is a unique organization, and the success of the Tri-State games is critical to the three lotteries. I'm pleased we could gather in person and work to move our initiatives forward.

The history of the Tri-State Lotto Commission really tells the story of the U.S. lottery industry. The Tri-State Lotto Compact became law on April 23, 1985, allowing northern New England to offer Tri-State Megabucks. By July of that year, prior to the game going on sale, subscription sales were offered in all three states. Players could call the Lottery and purchase a subscription for 26 drawings (six months) or 52 drawings (one year). The United Parcel Service then delivered confirmation cards of those purchases anywhere in the continental United States.

On September 3, 1985, Governor John S. Sununu purchased the first Tri-State Megabucks ticket at Rockingham Park in Salem, New Hampshire. For \$1, players chose six numbers from 1 to 30. Drawings were held once a week. First day ticket sales amounted to \$50,000. The first drawing for the game was held on September 14, 1985 with a jackpot of \$993,140. That

first Tri-State Megabucks jackpot was won by Richard Campbell of South Portland, Maine.

The game was an immediate hit as it offered larger-than-ever jackpots. To keep up with player demand, the game quickly evolved within six months to a larger matrix of six numbers chosen from a field of one to 36. The change certainly paid off, as on June 14, 1986 a \$9,628,000 jackpot was won by Bertha Arruda of Westport, Massachusetts.

In May 1990, Tri-State Megabucks increased drawings to two days a week, with a new drawing added on Wednesdays. In 1992, there were two jackpots of over \$10 million, which dramatically increased sales, and on January 25, 1995, the jackpot hit a record of \$16,400,000. Two players, one in Vermont and one in Maine, split that prize.

Over the years, the Tri-State Lotto Commission has added games to complement Megabucks – Pick 3 and Pick 4, Gimme 5 and Fast Play. Periodically, the group has included scratch tickets to its offerings.

At the meetings in Kennebunkport, where centuries of political and maritime history

is on display on every corner, the Tri-State Lotto Commissioner celebrated its storied past while working with its partners to make sure it remains relevant in the quickly-changing gaming world.

Meeting host Gregg Mineo, Director of the Maine Lottery, said that while multi-jurisdictional games like Powerball and Mega Millions get the headlines, the Tri-State Lotto games play critical revenue roles in each of the three states.

"The pandemic certainly provided lotteries with opportunities to review their entire portfolios and for us, that meant taking a close look at the Tri-State offerings," said Gregg. "Our group has survived for close to 40 years because our players like our games and made them a part of their lottery purchase options. Our responsibility as stewards of the organization is to continue to monitor play patterns and, when necessary, make strategic changes.

"Tri-State is an important part of the history of the U.S. Lottery industry. But most importantly, it is a reliable revenue generator for the people of Maine, New Hampshire and Vermont. That is where our greatest responsibility lies." ■



THE FUTURE OF WORK *PART I* A LOOK INSIDE THREE LOTTERIES

No Lottery was spared the impacts of the COVID-19 pandemic on its workforce and customers. And as we all look to the future for work and business, PGRI asked the New Jersey, Florida and Virginia Lotteries to reflect on the past almost two years and look to the future.

WHAT ARE THE BIGGEST CHANGES YOU'VE MADE TO YOUR WORKPLACE POLICIES SINCE THE PANDEMIC?

NEW JERSEY LOTTERY

The New Jersey Lottery has 74 permanent employees as well as consultants and hourly staff. While focusing on keeping our staff, vendors, retailers and the public safe, we

still needed to maintain operations to meet our responsibility to protect the retirement benefits of those who serve our communities, including New Jersey's teachers, police officers, firefighters, and other public employees. Also, close attention had to be paid to our facilities to avoid contamination and protect the draw studios. While the Lottery never closed, the building was closed to the public.

The most impactful change made to our workplace, since the pandemic, was the ability to telecommute. The majority of staff worked from home utilizing remote

technology. Those unable to work from home included the draw team and Validations Unit. The entire staff will be required to come back to the office later this year.

A number of important changes were instituted in response to the pandemic, some of which will continue to be embraced post-pandemic because they have proved beneficial to overall operations. Those changes include:

- All in-person events were transferred online, including the Lottery's 50th Anniversary December 2020 event. We discovered that our players loved

being able to celebrate with us from the comfort of their home.

- New Jersey started licensing couriers to sell Lottery draw games in November 2019. When the pandemic shut down most of the state in the spring of 2020, courier game options were expanded to allow players the convenience of purchasing the iconic daily games of Pick-3, Pick-4 and Jersey Cash 5. New Jersey Lottery's players responded enthusiastically to the option of purchasing tickets online through a courier.
- Appointments for claims were instituted to limit the number of people in the office. Those with tickets under \$100,000 or non-jackpot winning tickets are encouraged to mail or drop off their winning tickets. Moving forward this change will continue.
- The installation of a drop box at Lottery Headquarters open Monday through Friday, 8:30 am to 4:30 pm. The drop box provides a safe alternative for those who do not wish to mail their ticket to easily and securely submit claim forms. No appointment is needed to access the drop box, and the drop box is monitored by Lottery Security Officers.
- Reorganization of the office space to ensure safe social distancing for all staff members.
- All people in the building are required to wear masks.
- All meetings are held digitally using either Teams or Zoom platforms.
- Lottery evening drawings moved from 7:57 p.m. to 10:57 p.m. daily beginning June 29, 2020, bringing the timing for New Jersey Lottery's core games closer in line with the big multi-state games Mega Millions and Powerball.
- When the draw time was moved, evening drawings became exclusively livestreamed.

FLORIDA LOTTERY

No workplace policies were needed. However, the Florida Lottery, like most businesses, has implemented measures to be responsive to the evolving needs of our employees, by:

- Allowing some employees to work remotely on a temporary basis.
- Increasing the regularity of cleaning and sanitization of the Lottery's offices, especially high-touch/high-traffic areas.
- Encouraging the use of face masks among employees working in close quarters.
- Utilizing virtual meetings via Microsoft Teams where appropriate.
- Increasing the use of electronic routing, review, and approval of certain documents.

VIRGINIA LOTTERY

In mid-March 2020, as the severity of the pandemic first began to emerge, the health and safety of our workforce, our partners and our customers was priority. Our leadership team quickly mobilized to conduct a real-time drill of our crisis response plan. We first created a rotating telework schedule for Headquarters employees so we could test our technology capabilities and ensure continuity of operations. Our ITS team rose to the challenge, quickly supplying employees with needed hardware and remote work support. To minimize our employees' interaction with the public, we temporarily closed our customer service centers (CSCs) and instructed our field staff to also work from home.

With an eye on reopening our CSCs as soon as safely possible, our teams collaborated on new processes to begin to service our customers again. When our CSCs reopened in June 2021, we were confident that we could both provide the same level of superior customer service we always have and keep our employees protected. We reengineered the customer claims process, redesigned the physical environment, and reconfigured processes to protect our employees.

By September 2020, our field sales staff began limited in-store retailer visits. Given the success of remote office work, our Headquarters staff remained in that posture until July 2021, at which point we returned to a staggered two-day-a-week in-person schedule. Under CDC and Virginia Department of Health guidance, vaccinated employees can choose to wear masks while non-vaccinated employees are required to wear face coverings.

As of September 1, 2021, all Virginia state

employees were required to show proof of vaccination or submit to weekly testing. Our Human Resources team, in partnership with our legal team, implemented new policies to guide our workforce through these requirements. Other policies related to employees' use of technology and remote work requirements, though already in existence, were also updated accordingly.

FACE-TO-FACE INTERACTION WITH YOUR CONSTITUENTS IS CRITICAL FOR LOTTERIES, EITHER WITH RETAILERS OR WINNERS COMING TO YOUR OFFICES. HOW WILL THIS LOOK IN THE FUTURE?

NEW JERSEY LOTTERY

At this time, the front office will remain closed to walk-in visitors, but open to scheduled appointments. This will allow the Lottery to continue to practice safe social distancing and minimize the number of people in the building at any one time. With scheduled appointments, there is a need to conduct security interviews for prizes of a certain amount and all appropriate safeguards - wearing of masks, practicing social distancing, using hand sanitizer - will continue to be followed.

Players filing claims for prizes not eligible for appointments will have the following options:

- Mail the winning tickets to the New Jersey Lottery Headquarters.
- Use a drop box in the lobby at Lottery Headquarters, which is open Monday through Friday, 8:30 a.m. to 4:30 p.m.

When visiting retailers, Lottery Sales Representatives must continue to wear masks.

FLORIDA LOTTERY

The Florida Lottery is constantly looking for creative ways to increase our efficiencies while improving the overall experience

for our retailers, vendors, and players. Currently:

- Lottery Marketing Specialists in each district office (claim center) process claims from players behind plexiglass customer service windows.
- Players have the option to make appointments to redeem their winning tickets to minimize waiting times in District Offices
- Each Lottery district office provides a secure drop-off method for players seeking to claim prizes, which offers minimal in-person interaction and no in-person waiting.
- Retailers are visited regularly by Lottery Sales Representatives, who assist with point-of-sale materials, Scratch-Off ticket inventories, and stocking of vending machines; they also educate retailers on new games and responsible play best practices.
- Through the Lottery's mobile app, players can complete a digital play-slip, thus minimizing time spent on in-store purchases of Lottery tickets.

VIRGINIA LOTTERY

There is no doubt that face-to-face interaction is valuable, both for our players and our retailers. For obvious health and safety reasons, we needed to suspend face-to-face interaction for a brief period last year. However, we knew that we wanted to get back in person with our key stakeholders as soon as possible. We happily and safely welcomed customers into our service centers after a two-month closure at the front-end of the pandemic, with entirely new safety protocols in place. We continue to limit the number of customers in the lobby (masked only) and envision that practice to remain in place for the foreseeable future.

Our social media platforms also allowed us to stay in touch with our players. We introduced live-streamed "Friday Fundays" on our Facebook page and invited our fans to join us each week to talk about products, promotions, our ongoing support of public education and, of course, to win prizes.

For five months, our field sales staff connected with our retailers through phone calls, emails, text messages and virtual visits. This time allowed us to review our

current model of servicing our valuable partners. While we know that some retailers rely heavily on us to activate new games, pull expired games, fill vending machines and restock supplies, we also learned that weekly in-person visits weren't always necessary for every retailer. Our sales management team reallocated sales routes and reduced face-to-face requirements. However, it wasn't just COVID driving this decision. We also have a focus on non-traditional retail recruitment. Reviewing current practices allowed us to continue with a strategic focus both on growing our business and increasing our opportunities to engage with consumers in new settings.

Of course, the launch of our iLottery platform on July 1, 2020, certainly supported engagement with our players when we couldn't be face-to-face. Even without our full suite of products available, it was clear Virginians were excited to meet us in the digital space. Sales far exceeded initial estimates and represented a significant percentage of our record-shattering sales of more than \$3 billion in FY21. The future of online play in Virginia is bright and will continue to serve as a valuable complement to player interaction at traditional brick-and-mortar.

Pre-COVID, we regularly looked at processes to ensure that we continued to drive our business forward as efficiently, effectively and profitably as possible. That hasn't changed and thoughtful, strategic adjustments will continue to be made as needed into the future.

WHAT ARE SOME OF THE BIGGEST HURDLES YOU FACE AS YOUR EMPLOYEES EITHER RETURN TO THE OFFICE OR EMBRACE A NEW TYPE OF WORKING MODEL?

NEW JERSEY LOTTERY

Employees have discovered the advantage of working from home in terms of increased productivity and the flexibil-

ity that it affords. While the pandemic continues, many employees are still dealing with issues regarding childcare and school closures, which require continued flexibility. As we prepare to return to a full-time onsite work schedule, we are working to institute the state's mandatory vaccination/testing policy, along with other precautions such as masking requirements, which have naturally produced a number of challenges.

FLORIDA LOTTERY

Employee safety is paramount at the Florida Lottery. We have taken numerous steps to ensure that:

- Our employees are educated on and familiar with safety protocols related to COVID-19 mitigation practices, including contact tracing, quarantining, isolating, and testing.
- We effectively communicate safety measure being taken in the office environment to employees and vendors.

We are clearing backlogs of delayed in-person deliverables including winning prize payments to players, point-of-sale materials, and ticket inventories for our retailers.

VIRGINIA LOTTERY

For many employees, remote working was a new concept. Though we quickly addressed technology needs, we still recognized that most didn't have any type of office space carved out in their homes. We knew many were working – uncomfortably – from kitchen counters and dining room tables, so we offered a one-time stipend for employees to create more functional work areas. For those without lottery-issued laptops or MiFi devices, we issued a temporary monthly internet stipend to help offset additional incurred personal costs.

With schools shuttered, there were added challenges for our working parents who became both full-time workers and home-schoolers in an instant. We regularly acknowledged these unprecedented circumstances by making sure we demonstrated – through our words and actions – grace and flexibility.

Though we were officially in a remote work posture for 15 months, some Headquarters employees continued to also utilize their office space. For those who chose to come into the office, we implemented a

COVID-19 check-in checklist and QR code to contact trace if needed. We work in a building that houses multiple state agencies, so we recognized the need to be particularly vigilant with our protocols. We posted appropriate signage outlining the latest public health and safety guidance. We utilized technology like Microsoft Teams to meet and stay connected. We conducted multiple surveys to maintain a pulse on employees' concerns and collect their ideas. By demonstrating to employees that their input mattered, we set ourselves up for success as we made plans for whatever the "new normal" would look like.

Regardless of whether employees worked fully remotely or followed a hybrid model, the business of the Virginia Lottery never slowed. Lottery drawings continued, uninterrupted, thanks to strict health safety protocols, the dedication of our draw show personnel and audit and security teams. In less than three months, we successfully launched our iLottery platform, making it available to our customers on the first day legally possible. We launched Keno, enhanced our Cash 5 game to include EZ Match, introduced the Fireball add-on to our Pick 3 and Pick 4 games, and piloted digital menu boards and play centers. We shattered both sales and profit records in FY21.

What we've learned throughout this public health crisis, above all else, is that flexibility and creativity were critical, and a committed, dedicated workforce can navigate through – or around – anything. Communication was key: we surveyed the workforce on a regular basis and incorporated many of their suggestions into our plans. We focused on keeping employees safe while continuing the business of the Lottery, all in support of our important mission of raising revenue for our K-12 public schools.

WHAT DO YOU THINK THE FUTURE OF WORK WILL LOOK LIKE?

NEW JERSEY LOTTERY

We have learned how to deal with the restrictions resulting from the pandemic,

putting in place the technology that allows us to adjust to varied work models, if needed. Changes made to our Validations Unit procedures have streamlined the processing of claims, making that operation more adaptable to changing work schedules. We have seen that consumers have adapted to the new environment and adopted new forms of retail behavior and we are going to have to remain flexible to compete in this new world.

FLORIDA LOTTERY

As we move forward from the pandemic, the Florida Lottery will continue to seek innovative ways to enhance the overall experience for our retailers, vendors, and players. The Florida Lottery's approach to innovation will include re-examination of our current internal processes with an eye towards increasing operational efficiency while providing our employees with continued opportunities for growth and development.

VIRGINIA LOTTERY

To be determined.

ANY ADDITIONAL THOUGHTS OR INSIGHTS?

NEW JERSEY LOTTERY

Anecdotally, the first month was the hardest because we could not stop drawings for various games. We did not have the luxury of time to figure out how to streamline operations because we were dealing with uncharted territory and our foremost priority was ensuring continuity of services. Since we only have one headquarters, and the facility was closed to the public, getting a handle on how to process claims with Validations employees working from home proved challenging. Drawings are held and claims must be completed there, requiring us to be very protective of the safety inside this building. However, winners in New Jersey can remain anonymous and this limited the need for people to come into the building to meet with Public Information Office personnel when filing a claim.

After overcoming these initial hurdles,

we have begun to reassess operations in order to maximize efficiency and ensure that we have the flexibility in place to adapt quickly to any future events that might disrupt normal onsite work activity. Celebrating our 50th anniversary year in the midst of a pandemic proved eye-opening, and we learned a variety of things, including:

- Going digital was fun for us and our players.
- As an executive team we could work together well digitally.
- Technology enabled employees to connect directly to their workstation and office files while working from home.
- Productivity in many cases was boosted by working remotely.
- Being forced to adapt to an unprecedented scenario ultimately produced efficiencies that will remain in place long after the pandemic subsides.

FLORIDA LOTTERY

In general, our organization has adapted to the challenges presented by the pandemic and we collectively looked for innovative solutions utilizing technology. Our employees have learned to collaborate effectively through tools like OneDrive and Microsoft Teams, which has created internal efficiencies and allowed us to explore more ways to remain efficient in our collaborative efforts. These tools have also been critical in maintaining relationships with co-workers and business partners during the height of the pandemic and into the future.

Together, we have learned how resilient we can be as an organization. As leaders, we are committed to providing the Florida Lottery with a Path Forward Plan, which will focus on continuing to (1) maximize efficiencies, (2) fuel innovation, (3) institute internal initiatives, (4) expand our education-focused outreach, and (5) align with our sister State agencies. These five initiatives will guide us in successfully supporting our workforce, retailers, business partners, players, and citizens of Florida. ■



THE FUTURE OF WORK *PART II*

WHERE DO LOTTERIES, OTHERS GO FROM HERE?

JIM ACTON, LOTTERY INDUSTRY CONSULTANT

There is no escaping the impact of the pandemic on almost every industry. Unable to hire wait staff, restaurants have reduced hours. The shipping industry has been crippled due to a shortage of truckers and other disruptions. Childcare businesses have cut back on their headcounts, forcing some people to leave jobs because they must be with their children. Even if an office worker wants to return to their workplace, health and safety protocols at many businesses mean rotating schedules and no more cubicles – everyone must be in an office.

Even for those employees who are able to work from home, the news is not all positive. According to a recent survey by Gartner, Inc., 85% of employees have experienced higher levels of burnout while 40% report declines in their work-life balance. An excessive workload, keeping up with constant communication channels and back-to-back

online meetings are some of the noted triggers. This dramatic increase in daily screen time is not only impacting mental health and well-being but also productivity and job satisfaction.

Lotteries have many responsibilities that involve in-person presence and inter-personal interaction. There are jobs with customer-facing responsibilities, field work which includes in-store visits with retailers, and work that must be done in the office. It has been a challenge to properly safeguard all of these areas. But without lots of options, lotteries have made it work.

“As the saying goes, ‘Necessity is the mother of invention,’” said Justin Rock, Deputy Secretary of Product and Sales at the Florida Lottery. “The pandemic forced the world to adapt, and we developed many new ways of doing business that will serve us well into the future. Top among these is maximizing the efficiency of our prize payment process and exploring opportunities that do not require

a player to visit a Lottery office. We are also providing retailers and players with more ways to self-serve, streamlining the in-person Lottery office experience with a wide range of scheduling, payment, and service options.”

Of course, not all experiences are the same. At the Idaho Lottery, there was a brief period of office closure and then everyone came back. Again, the emphasis was on safety.

“Some of us never left the office,” said Becky Schroeder, Chief Operating Officer at the Idaho Lottery. “Our headquarters workspace allows for all employees to have an office with a door. The exception is customer service who are in cubicles and have always been behind bullet-proof glass. Social distancing is maintained. Virtual meetings remain common. We are fortunate to have nice weather and a large city park adjacent to the Boise River within view of our office where we hold meetings when a larger group of attendees is required.”

WHAT ARE THE TRENDS?

As lotteries have demonstrated, flexibility is key. But what workplace trends will continue, and which will go the way of the two-martini lunch? According to the workplace experts at Forbes magazine, here's what to expect:

1. Communication and Collaboration

When the pandemic forced many businesses to make operations remote, it also forced them to explore new ways of communicating. Video Conferencing platforms like Microsoft Teams and Zoom showed businesses it's possible for employees to stay connected and productive even if they aren't in the office. Going forward, organizations are likely to explore solutions like these in more depth, further integrating them to enable more resilient operations and a more flexible workforce.

Essential to the success of these solutions is a focus on the employee experience as well as the desired business benefits. Open floor plans, for example, were introduced to increase innovation by encouraging employees to collaborate throughout the day. An unintended consequence of the open-floor-plan can interfere with focus and productivity, and even cause employees to feel burned-out from all the distractions.

Collaboration software can provide employees the tools they need to connect, but organizations need to consider how these tools are integrated organically into the work-flow to enhance effectiveness and ensure they're helping employees rather than getting in the way. Businesses are studying the best mix of low-tech connectivity (in person, over the phone) and high-tech or remote-first options. We are not yet clear on the role that personal and informal interaction has in the building of the corporate culture and the role of corporate culture in supporting productivity and results. Most agree, though, that high-tech tools that enable remote communications need to evolve and combine with old-style personal interaction to produce optimal effectiveness.

2. Employee Well-Being and Productivity

In the early months of the pandemic, some businesses reported increased productivity from employees who had started working from home. One potential reason for this is that employees felt happier at home than in the office and were therefore more productive.

Digital well-being is essential to a successful hybrid work model. Business leaders need protocols to prevent digital exhaustion among employees and help them set healthy boundaries between work and home life. Leaders need to set a healthy precedent by exploring ways to manage workloads, encourage breaks when needed and embrace synchronous and asynchronous collaboration. We may feel liberated from the forms and structures of the office environment. Now we just need to construct a new set of routines and disciplines that provide a comfortable and productive work-flow in the home.

Developing teams in this hybrid-work environment also requires employers to rethink their approach to networking, team-building, and project management. Attracting, retaining and developing talent remotely takes additional time and effort. Teams need to take a more proactive approach to talent development, encouraging managers to prioritize building social capital at work and to create a truly supportive culture. Project management tools are already built for the digital world. But they have typically been augmented by a robust old-school component of in-person meetings and interaction. Managers need to figure out how the purpose of all the in-person connectivity can be accomplished remotely. Of course, some are discovering that maybe we did not need all those in-person meetings. Some are even discovering that video-conferencing unlocks a higher degree of objective-oriented focus and structure.

3. Security and (Zero) Trust

Fully remote and hybrid work models also require updated cybersecurity programs to secure remote employees, protect their digital assets and manage rising cyber threats. Zero-trust frameworks are on the rise with remote work because they provide increased security and flexibility simultaneously. Traditionally, organizations built a security structure around their on-site operations and employees accessed company data primarily from within that perimeter. All access and operations within that perimeter were assumed to be safe.

The shift to remote work moved operations beyond that perimeter and made it clear that companies need a more flexible security program that can keep up with a mobile workforce. Rather than assume all actions within a network are safe, a zero-trust framework operates from the idea that all

transactions must be verified, even within a network. This trust-nothing-but-verify-everything approach strengthens organizational cybersecurity while allowing for more flexible network perimeters.

LOTTERIES ADAPTED QUICKLY, AND ARE NOW LOOKING AHEAD

At the Washington Lottery, any policy changes were driven by the need to be adaptable and flexible to what was happening throughout the state. They extended the length of time for district sales representatives to pick up unactivated packs from retailers on closed games. Employees were encouraged to take the time necessary to attend to competing demands and adjust their work scheduled accordingly. The Lottery quickly expanded its approach to working from home, as the majority of employees moved to at-home work.

As the pandemic has moved into another phase, the lottery has faced different headwinds but nothing they aren't able to handle. "The most significant hurdle is how to return staff to the office in a safe way," said Marcus Glasper, Executive Director of the Washington Lottery. "We are being flexible in allowing staff to determine what office environment best fits their needs. One challenge with this approach is how to maintain a culture with a strong sense of 'team,' camaraderie and inclusion as a result of some staff being onsite and others off-site.

"I think the future will see us be more flexible as we have learned that we can be just as productive working remotely as we are in the office," he said "Some of the online tools we have learned to use (Microsoft Teams, Zoom, etc.) have become commonplace and an ingrained part of our culture. We expect the learning to operate in a hybrid environment while continuing to grow in a healthy and inclusive culture will be key. We will look for ways to include remote workers equally in our communications and interactions."

From the field workers to the office workers, lotteries are no different than thousands of other businesses making their way through changing work norms and policies. The decisions made today will impact workforces for years to come and while that can result in sleepless nights for decisionmakers, past experience shows that the industry is in good hands with today's executives. ■

“The experience of the last 18 months has put a premium on pooling our resources from all quarters, including the vendor, and galvanizing the whole team to focus on long-term and strategic planning.”

can look back and see how valuable video-conferencing has been. And I think it will continue to be a relevant tool and enhance the whole process of managing the business. I would submit that as our proficiency with video conferencing increased, so have our communication and presentation skills. Video meetings have not only become more and more productive, I think we will continue to discover more ways to further improve the utility and effectiveness of this medium. I am finding, for instance, that team members are preparing more for video-meetings than they were for in-person meetings. Perhaps it is because they are concerned that a talking head on a video screen may not be persuasive without being augmented by the best presentation. So, if the ideas they want to convey are important and they want to engage buy-in from the rest of the team, people are more likely to prepare slides and maybe even distribute a pre-meeting brief to help us come to consensus and decide on action-plans. We know it can be a little harder to lock down agreement and consensus in a video-meeting than in an in-person meeting, so we try harder to overcome the obstacles and do more to make sure we come away with action-plans and not just more talk.

I suppose I would compare it to the evolution of e-mail. There were people who lamented the transition from telephone calls and in-person meetings over to an increased reliance on e-mail. Now we realize that not only is e-mail a very efficient way to advance a dialogue, a collateral and perhaps unanticipated benefit of e-mail is that it forced us to clarify our thinking. Putting my ideas in writing causes me to think more clearly about what it is I want to accomplish, communicate more concisely, and get to the “ask” or at least get to the point more quickly.

Email did not replace phone calls or in-person meetings. But it sure did reduce the volume of phone calls and has

had a profound impact on the way we communicate and interact with each other. Let’s focus on the positive impact of video-conferencing and how we might elevate its utility and effectiveness going forward.

Do you have an example of how video-conferencing has enhanced the execution of a project?

B. Rockey: Our team meets every Tuesday with our vendor partner IGT. We review the activities and metrics relating to sales, distribution, project benchmarks, cost-management, etc. Before the pandemic, this meeting was a combination of in-person – our team would convene in the conference room, and those not there in-person would call-in. For the past 18 months, attendance has been almost 100% video-conferencing which enables everyone to participate in equal manner. And the video-conferencing platform enables everyone to share data and slides that illustrate the points much better than verbally on a teleconference. In the pre-pandemic in-person days, information was shared informally and sometimes not presented effectively in the meeting. Video-conferencing has led to a professionalizing of our communication skills.

How often do we hear people in meetings say “I’ll follow-up and send you that information”? In video-conferencing, everyone can and should be ready to share all relevant info instantly. Video-conferencing has forced us to come more prepared and work harder to turn the discussion into action-plans. And video-meetings are easier for everyone to attend. Getting feedback from more of the team members in real-time further removes obstacles to decisions and action-plans. We find we can save times

as well. Pre-pandemic meetings would typically run over an hour and often even 90 minutes. Now we typically finish in less than an hour. I feel we are actually accomplishing more in less time, end up with better project management documentation which carries forward to future meetings and to our semi-annual and annual strategic planning meetings.

You have a diversity of experience, working in the commercial sector with IGT and now in the government sector as director of the Lottery. How do you think your tenure as marketing director for the Nebraska Lottery and your service on the vendor side with IGT informs your perspective and prepared you for leading the Lottery?

B. Rockey: I’ve been very fortunate to have been associated with the lottery in one way or another since it started. The position of lottery marketing director is part of a wide variety of business functions, so it gave me a broad perspective. And then having the opportunity to go to IGT for five years helped me learn to assess and balance both sides of the ledger sheet.

The vendor side helps you get very clear on the bottom-line ROI side of any investment or expenditure. On the lottery side, we learn that short-term ROI is one of many factors and some games or promotions have public relations value that is not recognized by sales metrics. Some serve a long-term purpose of broadening the player-base by appealing to next-generation players. Serving in both sectors taught me how to dissect the ebb and flow of the market-place, to apply financial metrics and ratios to better understand the trajectories of revenues and profit, and how to analyze the logistical issues associated with certain products and supply chains. Perhaps even more importantly, the experience on the commercial side has helped me structure our group discussions and help our team identify and articulate our goals, objectives, strategies, and our tactics to get there.

I view it as my job to encourage everyone to think outside the box as they serve the

“The guiding principle, though, isn’t adherence to form and process – it’s about applying a metric-driven analytical process to improve outcomes and add value for the customer.”

mission of the Nebraska Lottery, regardless of whether the person is on the vendor or lottery operator side of the business. It's my job to empower their efforts to gather information, test theories, conduct research, facilitate communications, and build alignment and a healthy culture of collaboration and mutual support. We take a multi-disciplinary approach such that our finance and legal staff are often part of strategy discussions about sales, promotion, product, and distribution. The experience of the last 18 months has put a premium on pooling our resources from all quarters, including the vendor, and galvanizing the whole team to focus on long-term and strategic planning.

The Nebraska Lottery's relationship with our primary vendor is not a "private management agreement", but we do rely on the one vendor to perform a large range of business functions much like a PMA. For instance, IGT handles the sales force and warehousing. The Nebraska Lottery staff is 21 people, and the IGT has a team of 40 dedicated to the success of the Nebraska Lottery. Our governor introduced Lean Six Sigma to state government, encouraging work-flow analyses and business process engineering to optimize effectiveness. We apply Lean

Six Sigma principles like managing by fact, and involving and equipping our people in the process. We work to see that everyone is engaged in understanding how the work gets done. It's about applying a metric-driven analytical process to improve outcomes and add value for the customer.

Are you invited to testify before the legislature about the benefits of iLottery or otherwise enhancing the ability of the Lottery to generate more revenue for beneficiaries (Education, the Environment, and the Nebraska State Fair)?

B. Rockey: As a division of a government agency, we are not invited to advocate in that way. Our job isn't to make policy. Our job is to execute the directives and the will of the people's representatives in state government. When we are asked to testify, it is to inform the legislators about the facts surrounding areas that concern them. For instance, the Lottery regulates charitable gaming which includes bingo, keno, Pickle Cards, and raffles. We regulate those game categories but we do not engage in any active sale or marketing of those games. We have the same issues as many states have with the increase in gray machines gaming devices that are not properly licensed and not paying

the appropriate fees to operate legally. We took steps to identify the questionable devices, clarifying the problem of separating them from traditional amusement devices like pinball machines. The legislature then established definitions and restrictions that led to regulations on which we created an action-plan to monitor and enforce regulatory requirements. We have not been asked to provide input yet about formulation of policy like whether to allow iLottery.

How else has the pandemic changed the way you do business?

B. Rockey: Another impact has been to bring us even closer to our retail partners. Their business models are changing as a result of a changing competitive landscape and I think they appreciate even more now the important role that lottery can perform for them. We have always been invested in the overall success of our retail partners, but I think the last 18 months has prompted an even more creative approach towards helping them be successful. If we help them by driving store traffic and increasing the efficiency of inventory management, order fulfillment and settlements, then they will help us accomplish our goals of increasing revenues for good causes. ■

Applying a wise strategy informed by experience, continued from page 16

Working on both sides of the business has given me a respect for the challenges everyone faces.

well when I served in a variety of sales and marketing positions with the Georgia and Florida lotteries. We were expected to produce results but it was more process-driven than MBO-driven. Then I went to the vendor side and was exposed to a completely different perspective of how you operate a business. On the vendor side you're certainly there to support the customer and forge healthy and positive relationships. And you are expected to comply with process protocols, directives, and reporting. But you are also expected to produce results and sometimes that can require trade-offs; like deciding which results are mission-critical and which may need to be sacrificed in order to avoid breaking the budget or some

other undesirable consequence. There is a constant balancing act to control costs while delivering the product and service to the customer's satisfaction. Large jurisdictions like Florida and Georgia have a robust set of dedicated resources dedicated to them by the technology partner to ensure timely and effective service response. Smaller lotteries like Mississippi are typically in a shared resource pool. No complaints here as IGT has always done a fabulous job of supporting the Mississippi Lottery. But the reality is that the commercial environment is one in which everyone operates within strict budgetary constraints while under pressure to make sure the customer's needs are always met.

In a process-driven state lottery, if the employee can show they are performing their tasks as directed and are doing the best they can to produce the desired results, they have essentially fulfilled their responsibility. On the commercial side, especially the higher up you go in the organizational chart, the more uncompromising the expectation to produce results regardless of the obstacles. And you are accountable to different people who have different expectations, some of which may even be contradictory. So it can be a balancing act.

I come from the sales side and must admit that I would commit to things that I was not sure how they could be accomplished and would then just work like crazy to make them happen.

J. Hewitt: I am not sure I would recommend that approach, Paul. Funny that you say that, though, because it's my job to recognize when something is being

committed without the surety of being accomplished. I need to know if I should press for further detail on how it will be accomplished, or perhaps just make sure I don't over-commit resources on my end based on an expectation that may not be fulfilled or may not be achieved on time. Working on both sides of the business has given me a respect for the challenges everyone faces. I think it has also given me some insight to know when to drill down on an explanation that I think may be fungible, maybe there is wiggle room on the delivery date or the service fix, or maybe I need to press for another option or workaround, or maybe I need to call on someone higher-up, or maybe I just need to back off because I know the obstacle is intractable or insurmountable. Demanding the impossible is not as constructive as trying to discern what is best possible course of action and press hard for that.

More important than speed to market is to do it right. We don't want the Beta version, either in product or execution. And more important than holding everyone's feet to the fire is to create a spirit of collaboration, to ensure that everyone's interests are aligned so we are all pulling in the same direction to produce a quality product on a timely basis.

It must be rewarding to be in a position where you can harness the whole variety of work experience and apply that knowledge for the benefit of good causes and the mission of government lottery.

J. Hewitt: I do think my experience on the vendor side makes me a better customer. I like to think I can be part of the solution, part of the brain-trust that powers through all the underlying issues, sorts out the salient factors to arrive at a pathway forward. You know, we never really see the whole picture. We constantly have to make decisions in spite of incomplete information. But IGT is a great partner and together we are confident that the opportunities are optimized, the downsides minimized, and we are always moving in the right direction.

Are you working on in-lane sales solutions?

I think we also need to face the reality that dangerous viruses will be our new normal for awhile and we need to find ways to balance our need for safety with the need to go about business and life in general.

J. Hewitt: We are a new lottery and we are a small lottery. It is not our charter to "move quickly and break things". Certainly no sports-betting, no iLottery for at least a few years. In-lane sales and progressive initiatives like that are on the radar. We do want to get there, but we continue to work on consolidating the basic traditional lottery business functions and infrastructure. My stakeholders insist that we build a solid foundation, that we optimize all aspects of the business we are in, that we master all aspects of product development and portfolio management, of retailer recruitment and support services, of distributional logistics, of all methodologies for delivering success in the marketplace ... before we add more to our plate.

I would say that my stakeholders may want us to accelerate the rate of new products, new POS initiatives like in-lane, cashless payment options, new channels of distribution, etc., if or when Alabama authorizes lottery or sports-betting. We are presently pursuing the plan that the enabling legislation intended, and stand ready to expand products and methods of operation at the direction of policy-makers.

I think of it as applying life-cycle logic to business process. The Mississippi Lottery is not even two years old yet, but we started our second chance instant games last August. And we launched the lottery with Ticket Vending Machines. Other lotteries took a much longer time to launch second-chance games and TVM's. My point is that all lotteries evolve in ways that are most appropriate for their own marketplace, their own gaming culture, their own public policy objectives and priorities. New lotteries with less mature marketplaces should not necessarily be in a rush to implement all the initiatives

of more developed gaming cultures with more sophisticated consumer expectations.

How can we prepare for the post-pandemic era?

J. Hewitt: We can try to anticipate how things might end up, but I am not attempting to predict with too much specificity. How will changes in work-styles affect commuting and traffic in convenience stores, how much of the consumer products market shifted to online merchants during the pandemic and how much of that will migrate back after the pandemic, how might the impulse for social distancing cause us to prefer lottery over casinos, how might sports-betting affect the broader games-of-chance industry and lottery in particular – we can and should be thinking about these things and many other trends. But we just do not know how these things will unfold and so should not over-commit to strategies based on this incomplete picture of the future. Too, we don't know what new factors will enter into this mix, and how these new factors will further complicate the challenge of predicting the future. The bright side of this picture is the knowledge that lottery is positioned better than anyone else in the broader games-of-chance industry, with the most powerful brand recognition, enduring popularity of the games, and a massive network of retailers. Nobody else has that portfolio of assets and it is next to impossible to replicate. So, we evolve to keep up with the trends, we keep making the best gaming products in the world, and we execute. ■



PULSE of the Industry

These news stories comprise a very small fraction of the gaming and lottery news stories posted every day to PublicGaming.com. Too, these stories are the highly edited short versions. You can visit our news website PublicGaming.com and access all of its departments for free, including search to read the full version of the articles. Sign up for our free e-newsletter by sending your e-mail address to sjason@publicgaming.com.

NORTH AMERICAN NEWS

Scientific Games has entered into a definitive agreement to sell its Lottery business to Brookfield Business Partners L.P. for total consideration of \$6.05



The transaction is expected to close in the second quarter of 2022, subject to applicable regulatory approvals and customary closing conditions.

Missouri signs New, Five-Year Scientific Games Lottery Contract

The Pennsylvania Lottery has contracted with Scientific Games to modernize equipment, signage and Mobile apps.



The initial estimate puts the combined value of these 10-year base contracts with these firms – all based on a percentage of ticket sales – at more than \$607 million.

Pollard Banknote Limited, a partner to more than 60 lotteries worldwide, will serve as the secondary instant ticket supplier, which will bring a slew of new games to the Pennsylvania Lottery's portfolio.



The American Gaming Association (AGA) has announced its next Chairman, Hard Rock International Chairman and Seminole Gaming CEO, Jim Allen

Evolution and Ontario Lottery and Gaming Corporation launch online Live Casino services on OLG.ca

A wide range of Evolution-powered live dealer and RNG games are on offer including Blackjack, Roulette and Baccarat. OLG is the fourth Canadian province to partner with Evolution.

Virginia Lottery online play surpasses one billion won by players



It was a little more than a year ago – July 1, 2021, to be exact – that the Virginia Lottery first began offering some of its games online. The new way of playing the Lottery in Virginia has become such a hit that it has surpassed the \$1 billion mark in prizes won by players. In fewer than 16 months, more than 213,000 unique players have had more than 196 million wins playing at valottery.com.

That's in addition to the tried-and-true way of playing the Lottery: at physical retail stores across the Commonwealth. Traditional sales at brick-and-mortar retailers still account for about 70 percent of total Lottery sales.

Mary Beth Thomas appointed Executive Director Role For Tennessee Sports Wagering

Tennessee's Sports Wagering Advisory Council (SWAC) officially takes over as Tennessee sports betting's regulatory body on Jan. 1, 2022.

Wyoming regulator seeks to license more sports betting operators in November and December

DraftKings has agreed to a deal with the National Hockey League to become an Official Sports Betting

New Jersey becomes first state to hit \$1 billion a month in sports betting

Louisiana gambling regulator issues first four sports betting licenses

Industry Sees Possibility of 2022 Launch for Ontario's iGaming and Online Sports Betting Market

The Florida Seminoles' bid for a stay on sports betting ruling is denied, but their app was still taking wagers

Lottery App Jackpocket Raises \$120M Series D Funding To Lead Future of Mobile Gaming

BCLC names Dan Beebe as interim chief operating officer

Lynda Cavanaugh continues in the role of

BCLC's Interim President & CEO, while Jim Lightbody continues his medical leave to undergo cancer treatment and recovery.

The spotlight is firmly on the metaverse, with Facebook now rebranding itself as Meta. The social media giant aims to, by the end of the decade, attract one billion users to the metaverse, a digital reality that combines aspects of social media, online gaming, AR, VR, and cryptocurrencies to allow users to interact virtually.

The metaverse is basically an online 3D universe that combines various virtual spaces and allows users across the globe to meet, chat, work, and play games together.

Lottery.com Closes SPAC Deal, Debuts on Nasdaq Monday

AutoLotto, which does business as Lottery.com, has closed its merger with special purpose acquisition company (SPAC) Trident Acquisitions Corp. The online lottery provider allows consumers and businesses to purchase lottery tickets online and via mobile devices.

IGT to spin off its Digital & Betting arm over the coming 12 months



During a virtual investor day on Tuesday, the global gaming technology provider outlined its plans to maximize the value of the business segment. The division will become its own separate entity over the next year. IGT will then decide whether to take the new entity public or not. No matter what happens, IGT will hold onto a majority stake in the business. The supplier believes that this new type of structure for its Digital & Betting division will help position it to gain market share in the "high growth" online gambling sector.

A dedicated management team will take charge of the spun-off business. IGT has recently hired previous Bet365 executive Gil Rotem as iGaming president and former William Hill US CEO Joe Asher as Sports Betting president. Reporting to Enrico Drago, IGT CEO Digital & Betting, Rotem is responsible for ensuring the ongoing development and global expansion of the IGT PlayCasino business, which includes iGaming, poker and bingo.

IGT Gains Exclusive Omnichannel Lottery Licensing Rights to Marilyn Monroe

IGT Signs iGaming Content Distribution Agreement with

Yggdrasil Gaming for U.S. and Canada

IGT Resort Wallet and IGTPay Cashless Technologies Named "Product Innovation of the Year" in 2021 Global Gaming Awards Las Vegas

IGT's Resort Wallet and IGTPay make "going cashless" simple for operators and players. As modules of the IGT ADVANTAGE casino management system, Resort Wallet enables operators to offer "carded cashless" or "cardless cashless" gaming, and in combination with IGTPay, provide players access to external funding sources such as bank and debit cards and e-wallets. As the industry's only fully integrated cashless solution, Resort Wallet with IGTPay provides a seamless player experience that enables players to transfer funds to and from their PIN-protected Cashless Wagering Account to various casino games and personal funding sources in a single secure cashless ecosystem.

IWG and the Michigan Lottery Sign Contract Extension to July 2026



Pollard Banknote Vice President Brad Thompson Receives Powers Award Recognizing Exceptional Job Performance

HR Director Liz Alex of the Ohio Lottery named NASPL Powers Award Recipient

Alberta Gaming, Liquor and Cannabis (AGLC) appoints Kandice Machado President and CEO

With over 19 years of first-hand experience with AGLC, Machado has spent the last 10 months as acting President & CEO at the Crown corporation.

Atlantic Lottery (ALC) appoints Patrick Daigle as CEO

"I am happy to share Atlantic Lottery's 2020-21 financial results and to announce that the corporation returned \$346.5 million to the four Atlantic provinces last year," Daigle said. "Atlantic Lottery continues to invest in its digital channels and is working to modernize our player experiences so we can continue to compete in this highly competitive market and maximize future profit returns. This focus helped us to pivot during COVID-19 and identify ways to

continue providing our players with exceptional experiences despite service disruptions."

Scientific Games Wins 10-year Vermont Lottery Systems Contract

gaming systems technology contract, winning the new business from a global competitor. Generating maximum revenues for the State of Vermont's Education Fund, Scientific Games' advanced platforms, retail solutions products and game services will power the Vermont Lottery for 10 years through the new contract, which may be extended for up to 10 additional years.

Scientific Games Wins Two Major Contract Awards From Pennsylvania Lottery

Scientific Games Corporation will provide its world-leading instant games and Scientific Games Enhanced Partnership for lottery instant game services, as well as a 10-year base contract to provide lottery gaming systems services across the network of nearly 10,000 Pennsylvania Lottery retailers.

Scientific Games Corporation appoints Connie James as Executive Vice President, Chief Financial Officer, Treasurer and Corporate Secretary and Ted Hase as Senior Vice President of Game Design

IGT to Advance VLT Central System Technology in Alberta with INTELLIGEN Five-Year Contract Extension

The extension runs through July 2026. Under the terms of the extension, IGT will upgrade AGLC's video lottery central system to the latest version of INTELLIGEN, which includes improved network diagnostics and stability. AGLC will also receive several iLINK Ultras, IGT's latest retailer site controller that has a separate point-of-sale device and logic box for increased flexibility, and an updated user interface with improved features for the retailer. IGT's INTELLIGEN systems are deployed worldwide connecting a wide range of VLTs in a variety of gaming environments.

Sightline Payments and IGT Announce Cashless Gaming Partnership



The partnership will deliver cashless gaming solutions through Sightline's award-winning digital commerce platform Play+ and IGT's

IGTPay™ full-service funding solution, Resort Waller™ cashless solution and PlaySports sports betting platform. Play+ has been added as a funding method into IGT's land based cashless wagering solution of IGTPay and Resort Waller.

Inspired Entertainment launches Reel Spooky King Megaways™, a Halloween-themed, spine-chilling, boo-tiful, 6-reel slot game, developed with the popular Megaways™ game mechanic to give players 117,649 ways to win on every spin. Available online and on mobile.



INSPIRED

Inspired launches Jungle Falls, a jungle-themed online & mobile slot game

Inspired Entertainment to launch iLottery games with Loto-Québec

This new addition allows for the inclusion of Inspired's digital lottery games to lotoquebec.com and its Loto-Québec app, which allows adults in the Quebec province to play online lottery games, with the winnings directly deposited into an account. Inspired is expected to launch its first new iLottery games, Scarab Treasures (branded Pharaon reactionMC) and Fruit Drop Scatterdrops™ (branded Explosion de fruits reactionMC), in 2022.

Inspired Entertainment has announced a multi-year exclusive contract with the Major League Baseball Players Alumni Association (MLBPAA) to utilize the name, brand, image, persona and likenesses of the MLBPAA members to be commercially used worldwide.

Former Arkansas lottery Director, NASPL President and Lottery Industry Hall of Fame member Bishop Woosley has formed Woosley Gaming Advisors, a lottery and gaming consulting firm.

In Memoriam: Gordon Thomas Graves passed away on September 21 at his residence in Harrisburg, Illinois

Gordon Graves was CEO of Datatrol, Inc. when that company won a contract to install the first on-line lottery system in Michigan in 1976. The company installed the first on-line lotto system in the world in Canada in 1978 and, after Graves had left, went on to become GTECH, the largest lottery supplier in the world. In 1981, Gordon founded a company called Syntech, Inc. that developed the first player-activated lottery terminal, the first microcomputer-based redundant central determinant system, and the first touch-screen gaming terminal. In 1986, Graves sold control of Syntech to IGT, and he not only participated in IGT's entry into the lottery business, but also was involved in the development of MegaBucks, the first progressive slot machine game. Gordon went on to found Austin-based Multimedia Games, Inc. and retired from MGAM in 2003.

SPORTS BETTING AND CASINO GAMBLING

Scientific Games Expands Its Portfolio Of Cashless Gaming Solutions With ACS PlayOn Acquisition

The PlayOn cashless product line conveniently provides players with a seamless debit solution at live table games. As a part of the Scientific Games portfolio, the ACS PlayOn product line will be called ATOM™ – Access To On Demand Money.

The ATOM solution lets players access funds at live table games without having to leave their seats. In addition, there are no back-end or out-of-network transaction fees charged by the player's financial institution. To access funds, players simply swipe their debit card and enter their PIN. This acquisition gives Scientific Games an immediate leadership position in cashless applications for table games.

Virginia Lottery: more than \$180M was wagered on sports in August

This represents a 13 percent increase from July's wagers. The eight licenced operators included in August's reporting were Betfair Interactive US LLC (FanDuel) in partnership with the Washington Football Team, Crown Virginia Gaming LLC (Draft Kings), BetMGM LLC, Rivers Portsmouth Gaming LLC (Rivers Casino Portsmouth), Caesars Virginia LLC, WSI US, LLC (Wynn), Unibet Interactive, Inc., and Penn Sports Interactive LLC.

WORLD NEWS

IGT expands its PlayCasino footprint in the Netherlands via a multi-year content agreement with Holland Casino, the leading gaming operator in the country

IGT PlayCasino games such as Icy Wilds™, Scarab® and Fortune Coin!™ were recently made available to players throughout the Netherlands on HollandCasino.nl.

IGT's Jade Luchauer Honored in Global Regulatory Awards 2021 for "Outstanding Individual Contribution to Responsible Gaming"

German Saxony-Anhalt state approves 35 online sportsbook licences

The Bundesländer of Saxony-Anhalt has published its 'whitelist' of licence-approved operators that are in accordance with the laws of Germany's fourth interstate treaty on gambling, GlüNeuRStv. The licensed businesses are allowed to provide GlüNeuRStv online gambling services for sports betting, online casino, virtual slots, poker, lotteries, horse racing and instant games. However, the Saxony-Anhalt registry also revealed that no licences had been granted for online casino, virtual slots and poker and the Lander made no statement with regards to whether operators had even applied for GlüNeuRStv licences for online gambling services.

Saxony-Anhalt has been appointed to serve as the Bundesländer that will house German gambling's new federal regulatory agency, Glücksspielbehörde. Although Germany's 16 Lander had previously agreed to observe a 'transitional period' from October 2020, allowing former Hesse licensed bookmakers to switch to new GlüNeuRStv licences, the regime was formally launched on July 1.

Instant Win Gaming (IWG) has been selected by the Lotteries Entertainment Innovation Alliance (LEIA) to supply elnstants, also known as instant win games, to the joint venture's five members; Danske Lotteri Spil, Française des Jeux (FDJ), Norsk Tipping, Svenska Spel and Veikkaus

EL urges Council of the EU to exclude explicit mention of online gambling and betting services from Digital Services Act (DSA)

EL (European Lotteries Association) urges the EU Member States' representatives to exclude the explicit mention of online gambling and betting services in the context of freedom of establishment and freedom to provide services within the EU [1]: "[...] The applicable national laws should be in compliance with Union law, in particular including the Charter and the Treaty provisions on the freedom of establishment

The Amazing Performance of NORTH CAROLINA'S HOLOGRAPHIC FAMILY OF GAMES

The North Carolina Education Lottery launched its first holographic family of games, *X the Cash*, with Scientific Games on Hazen's holographic board and it generated amazing index scores ranging from 165 to 197!

This significantly exceeded the performance of any plain board family of games ever launched by the North Carolina Education Lottery.



INDEX 165



INDEX 176



INDEX 197



When compared with plain board games, Hazen's recyclable holographic games can consistently generate higher lottery sales and profits due to their increased visibility at retail and superior performance.

Call for Information: Bob Hazen at 1-413-538-8204 Scott Devens 1-201-327-4414

HOLOGRAPHIC GAMES CAN BOOST YOUR LOTTERY'S PROFITS

Because they are "eye-catching", holographic games typically generate 15% to 30% more sales vs. plain board games, and they have proven to generate sales increases as high as 79%*.

Since a typical \$10 game needs less than 5% more sales to fully pay for the holographic material, using holography can easily increase your lottery's profitability.



Check out Hazen's PROFIT CALCULATOR to see exactly how much you can grow your lottery's bottom line. Just enter your ticket's size, price, payout percentage, and quantity for your holographic game and you'll instantly see a custom profit chart created for you.

For US Dollars, visit:
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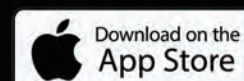
*The Tennessee Education Lottery generated a 79% sales increase in a quantitative test that isolated holography as the only key variable. For details, visit: www.holographyx.com/TN



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The Hazen Profit Calculator for iPads is now available at the App Store:

<http://bit.ly/HazenProfitCalculator>



and to provide services within the Union in particular with regard to online gambling and betting services. ... []”

The specific reference to “in particular with regard to online gambling and betting services” wrongly implies that national regulations on illegal content in the gambling sector are often not in compliance with the EU law. Whereas there are definitely restrictions on the freedom to provide online gambling services in most Member States, these national laws aim to combat crime and fraud and to protect consumers in a manner that meets the requirements as set out in the caselaw of the Court of Justice of the EU.

Arjan van 't Veer, EL Secretary General states: “The explicit mention of online gambling and betting services in this particular context is misplaced and should therefore be deleted. It fails to take into account all the relevant case-law of the Court of Justice of the EU and the very nuanced approach to the gambling sector due to its peculiar nature. The Court clearly confirmed on several occasions that restrictions in the gambling sector are justified for reasons of public order, public security, public health, as well as for the overriding reasons in the public interest, such as consumer protection, combating fraud, crime or squandering of money. Failing to recognise this means risking increased activities of illegal gambling operators, damaging individuals and society as a whole. EL therefore urges to exclude the explicit mention of online gambling and betting services from the Digital Services Act in the context of freedom of establishment and freedom to provide services.”

In its original proposal, the European Commission underlined that the DSA would be without prejudice to the e-Commerce Directive (2000/31/EC) and that it builds on the provisions laid down therein. This implies that the clear exclusion of the gambling activities as stipulated in the e-Commerce Directive would continue to apply under the DSA, too. It is therefore very unclear why “online gambling and betting services” would have an explicit mention in recital 29 of the final text of the DSA concerning the application of the free movement principles, especially when no other sector is mentioned.

The upcoming Digital Services Act (DSA) as proposed by the European Commission aims to create a safer digital space in which the fundamental rights of all users of digital services are protected and marks a milestone update in the regulation of Internet in the EU.

Pressure grows to ban betting on the Lotto in Ireland

Irish bookies have been taking bets on National Lottery draws for 30 years, but a new bill proposes to outlaw such activities.

Ladbroke's Coral Bilked Out of £600K by UK Gang Using Laminated Banknotes

The court heard the scam involved the gang covering £20 and £50 notes in plastic before

entering them into self-service kiosks to register bets. Then they used a plastic cord attached to the banknote to yank it out of the machine. According to prosecutors, his modus operandi was to “befriend and confuse” staff in betting shops before using sleight of hand techniques to produce winning betting slips after a race had run.

New Scientific Games Technology Modernizes Germany's LOTTO Hessen

The Company will launch its new SYMPHONY™ gaming systems technology, migrating the AEGIS™ gaming system it currently provides. Scientific Games will serve LOTTO Hessen with software support from its tech facility in Vienna, Austria. LOTTO Hessen is the third lottery in Europe to modernize with SYMPHONY in the last year. This advanced system developed by Scientific Games supports new game entertainment and new distribution channels with a secure, open interface that easily and quickly integrates third-party solutions and content. The Lottery's goal is to expand online channels and introduce new gaming verticals partnering with leading companies in the industry.

In the first phase of the modernization plan, Scientific Games' OGS Open Gaming™ system will connect to LOTTO Hessen's internet system to give players throughout Germany access to a world-class online gaming experience directly via the Lottery's website, in accordance with the regulatory framework.

Inspired Entertainment signs multi-market online virtual sports contract with NOVIBET

Starting with the Greek market, Inspired's Virtual Sports are now hosted in a dedicated section on novibet.gr, offering to players customized and localized Virtual Sports options on a 24/7/365 basis.

Inspired Entertainment launches two new exciting virtual games with Eurobet in Italy

OPAP Launches Inspired's Award Winning Virtuals Online

UK National Lottery bidders head for the final draw

Bids for the Fourth National Lottery licence, which runs for up to 10 years from 2024, were submitted late on Friday evening. Rothschild, the investment bank advising the regulator the Gambling Commission, will host bidders' final presentations.

Ukrainian regulator publishes stance on unlicensed operators

KRAIL has published its guidelines for dealing

with unlicensed operators operating in Ukraine. KRAIL's policy states that it will contact website owners by email to give unlicensed gaming businesses three working days to stop operating. If the operator does not comply, KRAIL will write to the hosting server, which must order the operator to stop its operations. The regulator will be able to publicly blacklist offending operators and name them on its own website. Following that, further non-compliance will result in the matter being passed to law enforcement.

Sweden's Svenska Spel posts 7% rise in revenue for Q3 2021 as business returns to normal

Italian gaming group Sisal files for IPO on Milan Stock Exchange

The Gaming Authority (Ksa) has imposed a fine of 531,250 euros on the Malta-based Tipico Co. Ltd. for illegally offering online games of chance to Dutch consumers.

The online games of chance were offered via the website tipico.com. A penalty of 200,000 euros applies for this violation. The fine has been increased 3 times by 75,000 euros: once for the bonuses on offer and the large number of games and bets on offer, once for using an inactivity fee and once for offering live betting. This form of betting carries a higher addiction risk than bets that can only be made before the start of matches.

Furthermore, the fine has been increased because the age of the players was not visibly verified. Tipico's website can no longer be reached with a Dutch IP address. Legalization of online gambling

Czech billionaire Karel Komarek's Sazka gambling group spends nearly £ 9 million bidding on the UK national lottery

Jumbo Interactive sets sights on UK expansion with senior hire Nigel Atkinson as UK general manager

Totalizator Sportowy, Poland's National Lottery, Successfully Launches e-Instants

Localised game content, marketing partnership, and leading practices for digital-product promotion came together in Totalizator Sportowy's successful launch of e-Instants with partner IGT. After just a short time, the Lottery's interactive channel is producing 8-9% of sales every month, and players in Poland are enjoying a growing library of fun and interactive games, known as “gierki.”

Watch the successful eInstants launch with Totalizator Sportowy!

LOTTERIES BUILDING A BETTER WORLD FOR GOOD CAUSES



PGRI SMART-TECH FLORIDA 2022

MARCH 1, 2, AND 3
CONFERENCE HOTEL VENUE TBD
MIAMI, FLORIDA

March 1 – Tuesday: Opening Night Reception
March 2 – Wednesday: Conference Sessions followed by Reception
March 3 – Thursday: PGRI Conference Sessions conclude at 12:30 pm
March 3 – Thursday, 1:30 pm to 4:30 pm: Women's Initiative in Lottery Leadership (WILL)
March 3 – 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 the 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
- News website: www.PublicGaming.com
- View vide-recorded presentations: www.PGRItalks.com
- e-mail: Pjason@PublicGaming.com

Game On!

Life is always an adventure with these exciting new instant games that your players will love!

Contact your Scientific Games representative for details.

