



**MINUTES OF THE MEETING OF  
THE OHIO LOTTERY COMMISSION**

**HELD AT:  
THE FRANK J. LAUSCHE BUILDING  
FOURTH FLOOR CONFERENCE ROOM  
615 WEST SUPERIOR AVENUE - CLEVELAND, OHIO 44113**

**APRIL 16, 2018  
12:00 P.M.**

**Present at the meeting were the following:**

**Members of the Commission:**

James Brady  
John Lewis  
Trevor McAleer  
Pat McDonald  
Angela Mingo  
William Morgan  
Elizabeth Vaci  
Sean Whalen

**Executive Staff of the Commission:**

Dennis Berg, Director  
Maureen Hall, Interim Deputy Director, Information Technology  
Danielle Frizz-Babb, Deputy Director, Communications  
Sandy Lesko Sabbath, Deputy Director, Marketing Communications  
Charles LoPresti, Chief Legal Counsel  
Steve Kmiotek, Interim Deputy Director, General Services  
Nicole Kostura, Deputy Director, Government and Community Relations  
Constance Miller, Deputy Director, Operations  
Carla Tricarichi, Deputy Director, Public Policy  
Jennifer Wilson, Deputy Director, Internal Audit  
Traci Konesky, Assistant to the Director

**Also Present Were:**

Ron Fornaro, Instant Ticket Product Manager  
Karen Russo, Office of Public Policy  
Marie Kilbane Seckers, Office of Communications  
Edward Slyman, Office of Finance  
Brian Sindelar, Office of Legal Counsel  
Dan Carter, Office of Legal Counsel  
Marie Kilbane Seckers, Office of Communication  
Rebecca McLemore, Office of Communications  
Teresa Loney, Youngstown Regional Office  
Duane Miller, Hooven-Dayton  
John Walker, Scioto Downs  
Greg Kolocin, Hard Rock Rocksino  
Ed Dick, JACK Thistledown  
Cynthia Hays, JACK Entertainment  
Tony Frabbiele, Hollywood Gaming, Mahoning Valley  
John Oberle, Penn Gaming  
Eric Sarmiento, Cavitch  
David Schindelheim, Taft

**CALL TO ORDER AND PLEDGE OF ALLEGIANCE**

- The Ohio Lottery Commission (“OLC”) meeting of April 16, 2018, was called to order at 12:06 p.m. at the Frank J. Lausche Building, Fourth Floor Conference Room by Chairman Pat McDonald, followed by the Pledge of Allegiance.

**ROLL CALL**

- The following members of the Commission answered present to the Roll Call: James Brady, John Lewis, Trevor McAleer, Pat McDonald, Angela Mingo, William Morgan, Elizabeth Vaci and Sean Whalen.

**INTRODUCTION OF FIRST TIME ATTENDEES**

- Chairman McDonald offered the opportunity for any first-time attendees to introduce themselves. However, there were no first-time attendees present.

**APPROVAL OF MINUTES OF MARCH 19, 2018**

- Chairman McDonald requested a Motion to approve the March 19, 2018 Minutes. Commissioner Lewis made a Motion that was seconded by Commissioner Brady. The Motion was affirmatively voted upon by all Commissioners present.

**CHAIRMAN'S COMMENTS**

- Chairman McDonald stated the OLC had the second highest sales month in its history. Keno continues to perform well with approximately \$9 million in weekly sales.
- Chairman McDonald stated that the racinos had their highest sales month since inception at \$96.5 million.
- Chairman McDonald stated that he would like updates on the following: the new retailer incentive program; the National Conference on Problem Gambling; and the Harvest for Hunger campaign.
- Chairman McDonald asked Commissioner Whalen to give an update on last month's Audit Committee Meeting.

**AUDIT COMMITTEE UPDATE, COMMISSIONER SEAN WHALEN**

- Commissioner Whalen reported that in the past ninety days, several issues have been closed by Senior Management. There has been a decrease in approximately 24% of older outstanding items. This also takes the age of any outstanding audit down by nearly one third.

- Commissioner Whalen reported that the OLC is working with Schneider Downs, a third party independent firm, to review the following compared to industry standard: the performance of the Internal Audit group; the scope of its services; the intensity of what is done; the frequency of engagement; and the type of engagement. The Office of Budget and Management just completed their version of this.
- Commissioner Whalen reported that the Audit Committee is working on finalizing the Audit Plan for next fiscal year. This is a process that is done annually with the assistance of Senior Management to prioritize areas of risk and focus for the upcoming fiscal year. The plan will be finalized in May and approved in June.

**DIRECTOR'S REPORT, DENNIS BERG, DIRECTOR**

- Director Berg reported that March represented the eighth month of fiscal year 2018. Total Sales of \$306.3 million were up \$30.0 million or 10.9% higher compared to last March. This was the second highest sales month in the OLC's history.
- Multi-State game sales of \$35.2 million were nearly \$17.2 million or 95.5% higher than last March. The *Powerball*® jackpot reached \$457 million and the *Mega Millions*® jackpot reached \$533 million. Sales for the daily draw games *Pick 3*, *Pick 4* and *Pick 5*, were \$53.3 million. This was \$456,000 or .9% higher than last March.
- Director Berg reported that traditional *Keno* sales of \$40.4 million were \$3.4 million or 2.9% higher than last March and was an all-time monthly sales record since the game went on sale in August 2008. *The Lucky One* sales were \$2.2 million for March. Instant ticket sales of \$152.3 million were \$9.5 million or 6.6% higher than last march, and this was a record sales month for the month of March.

- VLT sales for March were \$96.4 million, of which \$32.3 million went to the OLC. On a gross sales basis, this is \$8.9 million more than last March. This was the best single month's performance since VLT sales commenced in June 2012.
- Director Berg reported that transfers to the Lottery Profits Education Fund of \$106.3 million were roughly \$10.2 million higher than last March's transfer and \$7.5 million over projections. This is the second highest transfer in the OLC's history.
- Fiscal year-to-date sales stand at \$2.4 billion which is an increase of \$143.9 million or 6.4% over last year. Gross VLT sales are \$725.5 million up \$42.6 million or 6.2% through the same time period.
- Director Berg reported that profit transfers are up \$52.7 million over last year through same time period and \$26.0 million over projections.
- Director Berg stated that regarding bank cashing, PNC bank has agreed to a three (3) month extension through September 30, 2018. The OLC is still looking into alternative bank cashing locations such as super retailers and the regional offices.

**APPROVAL OF FIVE (5) INSTANT GAME RULES IN PROPOSED FORM**

- Mr. Fornaro brought before the Commission five (5) Instant Game Rules for approval in Proposed Form. The Rules are as follows:
  - Rule 3770:1-9-466, *Triple Cash* (\$1.00);
  - Rule 3770:1-9-467, *4 Way Cash* (\$2.00);
  - Rule 3770:1-9-468, *Power 5s* (\$5.00);
  - Rule 3770:1-9-469, *Diamonds & Gold* (\$10.00); and
  - Rule 3770:1-9-953, *EZPLAY® Match Frenzy* (\$10.00).

- Chairman McDonald then requested a Motion to approve the five (5) Instant Game Rules in Proposed Form. Commissioner Brady made a Motion that was seconded by Commissioner McAleer. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED AND FINAL FORM – NO CHANGE**

- Mr. LoPresti brought before the Commission one (1) Administrative Rule based on the Mandatory Rule Review Pursuant to Chapter 119, No Change, in Proposed and Final Form.

- Rule 3770:1-8-01, *Persons entitled to receive prizes.*

- Chairman McDonald then requested a Motion to approve one (1) Administrative Rule based on the Mandatory Rule Review Pursuant to Chapter 119, No Change, in Proposed and Final Form. Commissioner Brady made a Motion that was seconded by Commissioner Lewis. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**MANDATORY RULE REVIEW PURSUANT TO CHAPTER 119 IN PROPOSED FORM – AMENDMENTS**

- Mr. LoPresti brought before the Commission one (1) Administrative Rule based on the Mandatory Rule Review Pursuant to Chapter 119, Amendments, in Proposed Form.

- Rule 3770:2-4-02, *Video lottery sales agent employee license application.*

- Chairman McDonald then requested a Motion to approve one (1) Administrative Rule based on the Mandatory Rule Review Pursuant to Chapter 119, Amendments, in Proposed Form. Commissioner Vaci made a Motion that was seconded by

Commissioner McAleer. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

- Mr. LoPresti stated that he wanted to remind the Commission that Financial Disclosure forms are due by May 15, 2018.

**RESOLUTION TO APPROVE VIDEO LOTTERY GAME THEMES,  
CONSTANCE MILLER, DEPUTY DIRECTOR**

- Ms. Miller brought before the Commission a Resolution to approve twelve (12) new Video Lottery Game Themes. These game themes have been internally reviewed for technical compliance, content and game matrix. The twelve (12) new Game Themes are as follows: two (2) game themes submitted by Bally; three (3) game themes submitted by Everi; four (4) game themes submitted by ITS; one (1) game theme submitted by Shufflemaster; and two (2) game themes submitted by WMS.
- Chairman McDonald then requested a Motion to approve the Resolution for twelve (12) new Video Lottery Game Themes. Commissioner Morgan made a Motion that was seconded by Commissioner Mingo. With no further discussion, the Motion was affirmatively voted upon by the Commissioners present.

**OFFICE OF OPERATIONS REPORT, CONSTANCE MILLER, DEPUTY  
DIRECTOR**

- Ms. Miller reported that on April 9, 2018, the Department of Administrative Services issued a bid seeking proposals to provide production and transmission of the OLC's daily drawings, transmission of the weekly game show and distribution of draw results through our website. The contract is currently held by Mills James Studios and drawings are conducted in downtown Cleveland.

**OFFICE OF GOVERNMENT AND COMMUNITY RELATIONS REPORT**  
**NICOLE KOSTURA, DEPUTY DIRECTOR**

- Ms. Kostura reported that OLC staff participated in the annual Harvest for Hunger Campaign. The Campaign ran from March 1, 2018 through March 31, 2018. This year, the OLC raised more \$2,500 in monetary donations and staff donated more than 600 pounds of food.

**OFFICE OF PUBLIC POLICY REPORT, CARLA TRICARICHI, DEPUTY**  
**DIRECTOR**

- Ms. Tricarichi stated the National Council on Problem Gambling's annual conference is coming to Cleveland in July 2018, and hopefully all of the Commissioners can participate if they are able to. There will be approximately 600-700 attendees. The first two (2) days will be a preconference, and the full conference will also take place over a course of two (2) days. The Conference will take place July 18, 2018 through July 21, 2018 at the Hilton Downtown.

**OFFICE OF COMMUNICATIONS REPORT, DANIELLE FRIZZI-BABB,**  
**DEPUTY DIRECTOR**

- Ms. Frizz-Babb played a video that is posted on the OLC's YouTube Channel that gives a behind the scenes look at the OLC's daily drawing process.

**OFFICE OF SALES MANAGEMENT REPORT, RICHARD PERK, DEPUTY**  
**DIRECTOR**

- Mr. Perk invited Commissioners to attend an OLC training session that will be held at the regional offices in the upcoming month. The session will focus on the sales plan for the next six (6) to twelve (12) months.
- Mr. Perk gave an update on the retailer incentive program.

OHIO LOTTERY COMMISSION MINUTES

APRIL 16, 2018

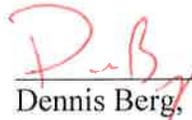
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- Mr. Perk recognized Teresa Loney, Assistant Manager from the Youngstown Regional Office. She will be retiring the end of April 2018, and he thanked her for all her hard work and dedication to the OLC throughout the years. Ms. Loney thanked staff for the opportunity to work for the OLC.

**ADJOURNMENT**

- Chairman McDonald stated that the next Meeting will be held on May 21, 2018 at 12:00 p.m. Chairman McDonald adjourned the April 16, 2018 Meeting at 1:05 p.m.

Approved:

  
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Dennis Berg, Director

  
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Pat McDonald, Chairman

Pat McDonald, Chairman