

**Time, Date and Place:**

The 221st meeting of the Idaho Lottery Commission took place on Thursday, March 21, 2019 at 10:00 AM.

**Attendees:**

Commissioners Present: Chairman, Mel Fisher

Commissioner, Craig Corbett

Commissioner, Susan Kerrick

Commissioner, Gary Michael

Commissioner, Grant Brackebusch

Lottery Staff Present: Executive Director, Jeff Anderson

Management Assistant, Jennifer Quinno-Miller

Chief Operating Officer, Becky Schroeder

Chief Financial Officer, Jay Prickett

Deputy Director of Sales, Larry Polowski

Deputy Director of Security, (Retiring) Amber French

Deputy Director of Security (Incoming), Tony Pittz

Deputy Director of Marketing, Sherie Moody-St. Clair

Public Information Specialist, David Workman

Others Present Ryan Belveal, International Gamco

Billy Mitchell, Mitchell Palmer

Tom Donahoe, Mitchell Palmer

Brad Surkamer, CLM

Pat Sullivan, Sullivan & Reberger

Phil Reberger, Sullivan & Reberger

Steve Poole, Intralot

Ian Bach, Diamond Game

Bill Breslo, Diamond Game

Troy Keeping, Diamond Game

### **1. Meeting Called to Order**

Chairman Fisher called the meeting to order at 10:00 AM

### **2. Approval of the Minutes**

Commissioner Kerrick moved to approve the minutes from the January 17, 2019 Commission Meeting. The motion was seconded by Commissioner Michael. The vote was unanimous for approval.

### **3. Director Update**

#### **Request for Extension of Mitchell+Palmer Contract for Creative Services**

Mitchell+Palmer has done very good work for the Lottery with Creative Services and we are recommending that we exercise our option for a one-year extension.

Commissioner Corbett moved to approve the extension for the Mitchell+Palmer contract for Creative Services. The motion was seconded by Commissioner Brackebusch. The vote was unanimous for approval.

#### **Request for Extension of CLM Contract for Strategic Services**

CLM has done very good work and added much value with Strategic Services and we are recommending that we exercise our option for a one-year extension for these services with CLM.

Commissioner Kerrick moved to approve the extension for the CLM contract for Strategic Services. The motion was seconded by Commissioner Brackebusch. The vote was unanimous for approval.

### **Other Updates**

Director Anderson introduced the new Director of Lottery Security, Tony Pittz. Tony has an extensive background in law enforcement, white-collar fraud investigations, and other skills which make him a good fit for this position. He thanked Amber French for her service to the Lottery and praised the work she has done in making the Idaho Lottery known for integrity in the industry.

Intralot has announced the CEO for North America, John Donahue, has been released and Byron Boothe has been named the interim CEO. He also introduced Steve Poole, the new General Manager for the Idaho Intralot site.

Commissioner Kerrick's reappointment is still in process. No hearing has been set but she will continue to serve in her current capacity until we hear one way or another on a reappointment.

The Supreme Court of the United States recently ruled that sports betting is allowable, which has driven some lotteries into that market. The Idaho Lottery will not consider it at this time because this type of wagering is specifically prohibited by Idaho Code 18-3801. We are watching from the sidelines but we predict Idaho will eventually be surrounded by States that allow it.

There has been a lot of activity with the recent US Department of Justice (DOJ) interpretation of the Wire Act, which changed an Obama-era interpretation that allowed for the expansion of internet wagering by lotteries. The Trump Administration DOJ opinion puts lotteries in jeopardy, including the operation of multi-state draw games. The lottery industry are very engaged in ensuring state-sponsored lotteries can continue to operate as in the past.

We are working on a draft for a 2nd Amendment to the Intralot Contract for the DreamTouch Smart which we will most likely be bringing to the Commission in the next month, ahead of our regular Commission and will work on getting that meeting scheduled when we have a draft ready to present.

Pollard Banknote has purchased Diamond Game and they also bought International Gamco. They are all one company, but separate legal entities. For informational purposes, there may be a contract amendment in the future to sort out a sub-contracting request from Gamco to Diamond Game.

#### **4. Quarterly & Current Sales Report**

The Quarterly & Current Sales Report is entered into the minutes as an attachment.

#### **5. Security Division Update**

DDeputy Director French did not have anything to report at this time.

#### **6. Marketing Division Update**

Deputy Director Moody-St. Clair introduced the Frogger campaign, which includes an online Frogger arcade game. She provided an update on the 30th Anniversary campaign, which is going extremely well. The Anniversary tickets are selling great and they are working on the next \$30 game. She also showcased Powerball Arcade which is a web and mobile based game and a way to increase awareness of Powerball where people can scan their non-winning Powerball tickets to play different arcade type games for chances to win prizes.

#### **7. Sales Division Update**

Deputy Director Polowski highlighted all the events happening around the State for the 30th Anniversary, which will be supplemented by the Sales team with events at 30 retail locations across the State as well.

We are also working on an In-Lane presentation to take out to retailers to try and get a test retailer for in-lane sales of Draw Games. Intralot has developed a terminal called a

Proton which is much smaller than the other Lottery terminal and will work great in-lane at grocery stores. Sales will be taking the presentation out to retailers to see who might be willing to pilot the new machine and concept.

#### **8. Set Future Commission Meeting Date**

Commissioner Brackebusch proposed a tentative teleconference on April 4 at 10:00 AM. Commissioner Corbett seconded the motion. The vote was unanimous and a tentative special teleconference was set.

Commissioner Brackebusch moved to set the next regular Commission Meeting for Thursday, May 16, 2019. Commissioner Kerrick seconded the motion. The vote was unanimous for approval and the next Commission Meeting has been set for March 21, 2019.

#### **10. Adjournment**

Commissioner Kerrick moved to adjourn the meeting. Commissioner Michael seconded the motion and the meeting was adjourned.

#### **Certification:**

I hereby certify that the foregoing minutes are a true and correct record of the actions and decisions made by the Lottery Commission.