Stakeholder Lottery Modernization Committee Meeting
Official Meeting Minutes

DATE: Monday, November 4, 2024

TIME: 1:30 pm.

All Attendees Participated Remotely through Zoom Conferencing System

MEMBERS PRESENT: Peter Brennan, Executive Director, New England Convenience Store and Energy Marketers Association (NECSEMA)
Ryan Kearney, General Counsel, Retailers Association of Massachusetts (RAM)
Jessica Muradian, Director of Government Affairs, Massachusetts Restaurant Association (MRA)
Marlene Warner, Chief Executive Officer, Massachusetts Council on Gaming & Health (MACGH)

MEMBERS ABSENT: Stiliani Dafulas, Lottery Sales Agent, Dairy Carousel, Incorporated

ALSO PRESENT: Mark William Bracken, Executive Director, Lottery
Christian Teja, Chief iLottery Officer, Lottery
Gregory Polin, General Counsel, Lottery
Christian Gonsalves, Deputy General Counsel, Lottery
Delwin Dickinson, Director of Modernization, Innovation and Performance, Lottery
Liz Giffen, Director, Digital Operations, Lottery
Benjamin Wood, Assistant Director, Stakeholder Engagement, Lottery
Judy Rampino-Moore, Executive Assistant, Lottery

Eric Grubbs, Deputy Executive Director of Sales, Pennsylvania Lottery
Stephanie Weyant, Deputy Executive Director for Marketing & Products, Pennsylvania Lottery

I.   **Opening of Meeting**

     a. **Notice regarding recordings**

Chairman Peter Brennan opened the Stakeholder Lottery Modernization Committee ("Committee") meeting at 1:36 p.m.

Chairman Brennan stated:

"Pursuant to the Commonwealth's Open Meeting Law, Massachusetts General Laws, Chapter 30A, Section 20, the Committee would like to advise that any person may make a video or audio recording of this open meeting. However, the Committee is obligated to inform attendees of any

recording at the beginning of the meeting, so we ask that those who are making any recording identify themselves now as doing so."

Judy Rampino-Moore, Lottery Executive Assistant, identified herself as making a recording.

b. Notice regarding remote participation

Chairman Brennan referenced the Massachusetts Open Meeting Law, Massachusetts General Laws, Chapter 30A, section 20, and identified the Committee members as present: Chairman Peter Brennan, General Counsel Ryan Kearney, and Chief Executive Officer Marlene Warner. Chairman Brennan stated that the Committee members will be participating remotely for this meeting pursuant to Chapter 2 of the Acts of 2023, which permits remote participation by all Committee members and allows the use of adequate alternative means, such as audio or video conferencing, to ensure public access to the deliberations of the Committee.

Chairman Brennan noted that the Committee members are all participating by a conference call and asked the Committee members to identify any sort of technical difficulty. Chairman Brennan also stated that the Committee members may participate in any votes scheduled to take place at today's meeting. All votes must be taken by roll call.

Director Jessica Muradian entered the meeting at 1:39 p.m.

II. Approval of minutes from meeting held on October 1, 2024

Chairman Brennan asked the Commission to accept the minutes from the meeting held on October 1, 2024.

Chief Executive Officer Marlene Warner made a motion to accept the minutes of the meeting and General Counsel Ryan Kearney seconded the motion.

Chair Brennan, recognizing there was no further discussion, moved the motion to a roll call vote. General Counsel Ryan Kearney: yes; Chief Executive Officer Marlene Warner: yes; Director Jessica Muradian: yes; Executive Director Peter Brennan: yes. The Motion carried.

The minutes were approved at 1:41 p.m.

III. Discussion with Pennsylvania Lottery officials regarding Pennsylvania's iLottery program

Chairman Brennan introduced guest members from the Pennsylvania Lottery – Eric Grubbs, Deputy Executive Director of Sales and Stephanie Weyant, Deputy Executive Director for Marketing & Products.

Chairman Brennan addressed the Committee and reminded them that it was agreed upon during the last meeting to invite lottery officials and retailers from different states that already have a thriving online lottery. The Committee proposed looking at Pennsylvania and New Hampshire for this meeting. Chairman Brennan informed the group that the Pennsylvania Lottery accepted the invitation and so New Hampshire wasn't contacted due to the time constraints. For

this same reason, a retailer for this meeting was also not contacted but would be subject to discussion for a future meeting.

Chairman Brennan welcomed Deputy Executive Weyant and Deputy Executive Director Grubbs and asked them if they could provide a broad overview explaining when the Pennsylvania's online lottery went live, what the results have been, what has been the impact on retailers, and also leave some time for questions.

Deputy Director Weyant thanked Chairman Brennan and the Committee for inviting them both to the meeting. She noted that she oversees marketing and product development for the Pennsylvania Lottery, she has been working for the Commonwealth of Pennsylvania for 25 years and has been with the Pennsylvania Lottery prior to when iLottery was launched in 2018.

Deputy Director Deputy Grubbs introduced himself as the Deputy Executive Director of Sales and Retail Operations. He stated that he is in his 36th year with the Pennsylvania Lottery and for all of those years he has been working in the sales department. He elaborated that he had started out as a sales rep in the late 1980's and has been in this most recent position as the Deputy Executive Director of Sales for the past 11 years.

Deputy Director Weyant mentioned that they will be presenting three slides and providing background regarding the Pennsylvania Lottery, specifically iLottery, and then answer any questions the Committee might have.

Deputy Director Weyant reported that last fiscal year, the Pennsylvania Lottery had traditional games sales of $4.8 billion at retail and another $1.04 billion in online sales, with an overall total of $5.84 billion in sales. From those sales, the Pennsylvania Lottery generated about $1.22 billion in profits that benefit senior programs. The majority of these sales and profits come from retail and about $94 million or 8 percent of those profits come from iLottery.

Deputy Director Weyant reported that the Pennsylvania Lottery has more than 10,000 retailer locations in Pennsylvania that sell lottery products. She referred to the chart in the meeting materials that showed a historical perspective of the past 11 fiscal years for the Pennsylvania Lottery. She explained that the bars in green represent "retail," and the blue and orange bars represent "iLottery." She pointed out that the blue bars are referred to as "eInstant" Games which are internet instant games, and the orange bar represents online draw games. She noted that Pennsylvania launched online Lottery in May 2018 which was the end of fiscal year 2017/2018 and reported that traditional retail sales grew over 7 percent within that first full fiscal year (2018/2019) of iLottery. Deputy Director Weyant recalled that during the second half of fiscal year 2019/2020 the COVID-19 pandemic began, and the graph shows a dip in sales during that time. In 2021, lottery sales across the country and in Pennsylvania soared and it was an extraordinary year. Referring again to the graph she stated that since then, sales have returned to normal. She acknowledged that the Pennsylvania Lottery is still growing compared to those levels before the COVID-19 outbreak, but during COVID-19, there was extraordinary growth.

Deputy Director Weyant next reported on the strategy used for online lottery. She reiterated that the Pennsylvania Lottery launched online lottery in May 2018. In that time, the Pennsylvania Lottery generated over $442 million in profits just from online sales that benefit senior programs. The Pennsylvania Lottery sells eInstant and online draw games. Currently, there are about 178

eInstant games on sale and nine draw games. She clarified that the majority of the draw games are online, and the Lottery is working to add the last few games to their online platform. The strategy is to integrate iLottery while driving players back into retail. The Pennsylvania Lottery uses omnichannel strategies including cross-product line launches, which is launching a similar theme or brand across multiple product lines such as Scratch, Fast Play, and iLottery. The Pennsylvania Lottery uses couponing as part of their omnichannel retail strategies, so the games have bonus codes on them. She provided an example of a coupon explaining that if a player plays for a certain amount of time online, they'll receive a coupon that will drive them back into retail to try a similar product. She noted that the coupons have a really good redemption rate that are about four times higher than normal coupons.

Deputy Director Weyant next discussed Pennsylvania's strategies regarding payment and ways that iLottery can drive players back into retail. She referred to the meeting materials and stated that the Pennsylvania Lottery has integrated payment solutions. She reported that there is a prepaid debit card where players can load their ilottery winnings onto a debit card. They can use that card at retail to purchase retail games and other things. Referring to a wallet icon in the meeting materials she stated that the Pennsylvania Lottery is working on a wallet solution which is an integrated app between ilottery and retail where it's a mobile ticket cashing app which Massachusetts already has and use that same wallet to buy at retail. The Pennsylvania Lottery also offers retailers to be part of ilottery and to earn money. They have an affiliate customer referral program where retailers can refer players to sign up for the online lottery channel where they can earn $100 per customer, or they can choose to do a profit share for two years. In addition, the Pennsylvania Lottery also has WebCash which is a deposit method sold at retail and is referred to differently in different states. She explained that retailers sell WebCash and receive the standard commission of 5 percent on the sale of WebCash and players can use that to deposit and play online. She concluded that these are some of the ways that retailers can earn money though ilottery.

Deputy Director Weyant reported on the Pennsylvania Lottery's Market Share. She explained that the context is important when looking at Pennsylvania. She described their market as rather unique and stated that Pennsylvania has the most saturated gaming market in the United States with every form of legalized gambling including brick and mortar, casinos, online casinos, sports betting, fantasy sports, Video Gaming Terminals ("VGTs"), horse racing, and Bingo. Every form of legalized gambling is in Pennsylvania along with some unregulated gaming that also goes on. Deputy Director Weyant stated that to put the Pennsylvania Lottery's figures into perspective, last year the Lottery sold a billion dollars online. The market share in Pennsylvania of online gambling only represents 1.4 percent of the market share. She described the Pennsylvania Lottery as having a rather small portion of the online activity that occurs in Pennsylvania. She stated that with traditional retail, i.e. brick and mortar, including brick and mortar casinos, brick and mortar lottery – the Pennsylvania Lottery has about 12.6 percent of the market share. In looking at sales, potentially compared to the rest of the industry, it's important to keep in mind that Pennsylvania is different compared to some of the other iLottery states.

Deputy Director Weyant noted that there are two common myths regarding iLottery – that it hurts retail lottery sales and that there will be an increase in problem gambling. She stated that her experience from the last 6.5 years has shown that neither are true. Retail sales are still growing compared to pre COVID-19 levels and the Pennsylvania Lottery has also grown their retailer base as well as adding more sales reps. In addition, $150 million has been invested to purchase new vending machines and equipment. She noted that there are industry studies that show iLottery states grew their retail sales faster than non iLottery states.

Deputy Director Weyant talked about Responsible Gambling ("RG") in relation to iLottery. She reported that with iLottery, Pennsylvania has more RG tools at their disposal than they do at retail where purchases are anonymous. iLottery is "account registered play" and there are a lot of tools that are offered online to players that can't be offered at retail. She named age and identity verification, deposit limits, time limits, cool off periods, self-exclusion, and account history. She stated that the Pennsylvania Lottery is very proud of their RG certifications. She also noted that the Internet Compliance Assessment Program ("ICAP"), backed by the National Council on Problem Gambling ("NCPG"), is a certification specific to the Pennsylvania Lottery. In addition, the Pennsylvania Lottery has a World Lottery Association Level 3 Responsible Gambling Certification.

Deputy Director Weyant reported that the position of the Pennsylvania Lottery regarding iLottery is that selling iLottery online expands the lottery player base. This is done through acquiring new players and forming a relationship with those players. It creates awareness and all of these strategies drive those newly acquired players back into retail. Players who shop online and at retail are more about value and so that needs to be made as easy and as seamless as possible. The Pennsylvania Lottery believes that acquiring new players is the most responsible way to grow iLottery instead of asking the same players to just play more. The Pennsylvania Lottery also believes that iLottery generates incremental revenue and there is zero incentive at the Lottery to shift players from retail to online. She described it as a fruitless exercise that doesn't gain anything and would be a waste of resources. iLottery is all about acquisition in a very tough competitive market. It's all about acquiring new Lottery players, driving them back into retail, and future proofing the Lottery for many years to come. Deputy Director Weyant then opened up the discussion to questions.

Chairman Brennan thanked Deputy Director Weyant and stated that the presentation was very informative. He asked if players need to pay using their debit cards, get a prepaid card, or can a player put money directly from their debit card into their iLottery account on the Lottery app. Deputy Director Weyant explained that the Pennsylvania Lottery has a variety of deposit and withdrawal methods. Regarding deposit methods, there's debit, credit, Automated Clearing House, ("ACH"), PayPal, and WebCash. For withdrawal methods, there's ACH, PayPal, and a prepaid card called Play Plus. With iLottery, Pennsylvania found the best practice is to offer many different deposit and withdrawal methods. She reiterated that the Pennsylvania Lottery is working on adding a 'Lottery Wallet."

Chairman Brennan asked if a player has an online winning scratch ticket, can they redeem that at a retailer and be given cash for that winning or does it automatically go back onto their debit cards. Deputy Director Weyant explained that the Pennsylvania Lottery does not yet have mobile cashing so the prepaid card is a way that a player can put their iLottery winnings onto that card and then use it as they would a prepaid debit card. Chairman Brennan stated that he'd like to be able to have people redeem and spend their winnings at the store. He understood Deputy Director Weyant as saying players can redeem their winning on the app where the money goes directly onto their prepaid debit card, and they could spend the debit card in the store and used in the same way as a reloadable Visa card is used. Deputy Director Weyant said that she has seen other lotteries that have a voucher that can then be cashed out from iLottery to retail. Currently, Pennsylvania does not have that functionality.

Chairman Brennan asked who is the vendor that the Pennsylvania Lottery uses to operate their system. Deputy Director Weyant responded that their iLottery platform provider was Scientific Games. He then asked if Scientific Games was the provider for the rest of their Lottery

products. Deputy Director Weyant explained that the Pennsylvania Lottery has three main separate contracts. There is a scratch off contract, a gaming system contract, and an iLottery contract. These are separate contracts and separate RFPs, and Scientific Games holds all three of those. Chairman Brennan asked if the RFP contains protections for retailers. Deputy Director Weyant stated that it was part of Pennsylvania's iLottery commitment to retail. The team met with similar retail groups such as the Food Merchants Association and educated them on the strategy and the Lottery's commitment to include them with no intention of letting off the gas on retail. The team wanted retail to be included and give them opportunities to make money. The affiliate program was part of the contract with Scientific Games as well as WebCash, but it was really about the relationship and the commitment that the Lottery has with their retailers and retailer groups. She asked Deputy Director Grubbs for his comments and stated that this is his area of expertise. Deputy Director Grubbs stated that everybody fears when there's a change and retailers feared that no one would ever buy lottery products in their store again. The Pennsylvania Lottery took the approach to meet with and educate retailer groups as well as independent retailers. In addition, Pennsylvania Lottery employees were also struggling to understand what iLottery meant to them and some felt that they may not be needed anymore. It became paramount to the Lottery's success when they learned and understood the strategy of how iLottery was put together and how brick and mortar needed to be included and given a stake in the game to drive customers back into retail. He quoted the Lottery's Executive Director Drew Svitko as always saying that they wanted the Pennsylvania Lottery to be a "C.R.U.M.(M.Y.) Lottery," Convenient, Relevant, Ubiquitous, and Modern. If you don't have that online platform, that strategy is not going to be modern and it's not going to reach players where they are.

General Counsel Kearney asked if before Pennsylvania had an online lottery did they allow debit card purchases at brick and mortar. Deputy Director Grubbs explained that around 2015, the Pennsylvania Lottery ran a retail pilot program with debit and credit to see what type of lift it would bring. However, at the time, the administration didn't allow the Lottery to set up the credit aspect at brick and mortar. General Counsel Kearney asked that when the Lottery undertook that pilot program, did they see any issues with the retailers being responsible for the interchange fee and were there any reimbursements made to them either through commissions or by picking up the interchange fee. Deputy Director Grubbs responded that Pennsylvania is grounded in research and research showed that if they allowed the retailers and players to use debit, the Lottery would be able to recover the cost of that and so since day one, the Lottery has paid the fees for those types of purchases. He stated that when a debit pin path reader is put in at retail for counter sales there is an approximate 3 to 5 percent increase in sales with counter transactions. When the Pennsylvania Lottery went through new modernization, it was put in the RFP that the Lottery wanted every piece of device to have a debit pin path reader as well as one on the counter. Some of the larger corporate chains said they didn't want a pin path reader and would absorb the fee themselves. The Lottery responded back saying that it was fine as long as they accepted cash as payments. General Counsel Kearney asked if statutorily, it was required for the Lottery to make that reimbursement or is that something the Lottery chose to do. Deputy Director Grubbs explained that the Lottery chose to do that based on research.

General Counsel Kearney asked if they could talk about their experience with the Pennsylvania Lottery's ability to reach a larger audience with the same marketing dollar. Deputy Director Weyant responded that Pennsylvania requested and received an increase in the advertising budget in order to launch iLottery, because it does take a significant investment to create awareness and to drive that product. She stated that currently, about 18 percent of the advertising budget is spent on iLottery. General Counsel Kearney asked if this was in line with the increase that they received. Deputy Director Weyant stated that she believed that it was an

initial $7 million, but the Lottery also launched Keno at the same time and so this was to cover both. Currently, about $10 million of the $55 million ad budget is spent on iLottery. She added that their ad budget had been flat for the last six years, but this year they received a $4 million increase in the ad budget.

General Counsel Kearney asked if they could discuss retail only games versus online only games and how those are kept separate in order to retain some of those avenues. Deputy Director Weyant explained that they currently have approximately one hundred and seventy-eight (178) eInstant online only games. There is some crossover seen with license property brands across multiple product lines such as Monopoly, The Wizard of Oz, and James Bond, where the Lottery will take a license property and do a Scratch Off any Instant or Fast Play game. The Pennsylvania Lottery currently has nine (9) of their online Draw games for sale with just a few of them left sold at retail. She noted that the plan is to bring all the Draw Games online for sale and added that Scratch Offs, Draw Games, Fast Play, and Monitor Games – such as Keno and Virtual Sports, are sold at retail.

Director Jessica Muradian asked if the Pennsylvania Lottery offered online Keno. Deputy Director Weyant explained that not yet but it's on the roadmap as one of the remaining Draw Games to bring online. Currently, they just offer Keno at retail but there are some eInstant versions of a Keno themed eInstant games on a screen, one being called, "Red Hot Keno." Based on research, Keno is one of the top requests that Keno players ask for.

Director Muradian asked if Keno is sold at restaurants and in bars. Deputy Director Grubbs explained that Pennsylvania permits restaurants, bars, and taverns to sell Keno and with roughly eight thousand (8,000) bars and taverns that don't sell Lottery, that promotes a big opportunity for growth. The Lottery sells a little bit less than $1 million a week on Keno products. The Pennsylvania Lottery also has Derby Cash and End Zone Cash as part of the Xpress Sports lineup of virtual sporting events. He concluded that there are three monitor style games and that accounts for a little less than $1 million in sales for all of them but Keno accounts for the highest out of those three.

Referring to the graph in the meeting materials Chairman Brennan acknowledged Deputy Director Weyant's comments that iLottery has not cannibalized sales at all and asked why the eInstant bar was getting larger while the traditional bar was getting smaller and he also asked what was eDraw. Deputy Director Weyant explained that eDraw are online draw games that the Lottery has online. This includes Powerball, Mega Millions, Cash 4 Life, and Pennsylvania's in-state jackpot game. Chairman Brennan said he imagined that the percentage for eDraw games as being much lower than the eInstant games and asked if the cost of the tickets is generally lower or are there less volume in sales as well. Deputy Director Weyant stated that the majority of the online sales are those internet instant games, and a small percentage are the online draw games. Deputy Director Weyant referenced the traditional bar on the graph as decreasing. She stated that it goes back to their market and reiterated that Pennsylvania has the most competitive gaming market and it's still growing compared to those pre COVID-19 levels. Pennsylvania has unregulated games of skill that are in over 30 percent of Pennsylvania's Lottery retailers and the Lottery believes that they are having a pretty significant impact on traditional sales. She added that when looking at the traditional sales, also look at the iLottery industry and compare states that sell online and states that do not sell online. There's a softness in scratch off sales being seen across the industry. It may be seen more significantly in Pennsylvania, which has the most competitive gaming market and players have lots of choices when it comes to gambling entertainment and so there in nothing to lead the Lottery to believe that iLottery is hurting retail

sales. She added that iLottery sales are actually down compared to last year. Regarding traditional sales, Pennsylvania anticipates a decline mostly driven by scratch. Retail sales are down because there hasn't been any high jackpots yet during this fiscal year.

Chairman Brennan asked hypothetically, if Pennsylvania saw evidence of cannibalization in the market that hurts retailers, are there plans in place to help boost retail sales. Deputy Director Weyant noted that she believes there are a lot plans in place to increase retail sales and to combat what's being seen at retail. Deputy Director Grubbs stated that there are a lot of opportunities especially in Pennsylvania. There is a unionized sales force with 122 sales reps covering 67 counties. The sales reps are out every day talking to retailers about how to bring awareness to the top ten best practices, such as making their stores the best and making sure the Lottery is visible. They work very hard and diligently on maintaining and increasing the sales at brick and mortar. The Pennsylvania Lottery has approximately 8,000 bars and taverns that the Lottery wants to have to sell the product. That is done with a very strategic approach towards brick and mortar sales. The sales force needs to make sure that they have the tools and are able to go out and promote Lottery at retail. He noted that over the past four or five years, the Pennsylvania Lottery has increased the retail network and their unionized salesforce and so a decline has not been seen retail base. The Lottery has hired more people to be able to keep that retailer to rep ratio to about 108 per district. Deputy Director Weyant stated that it was important to know that the Pennsylvania Lottery is organized internally and it's not online versus retail. Everyone is responsible for growing total Lottery sales, retail and online. The teams are fully integrated. The marketing staff markets all products, the products team develops all games, and everyone is very aggressive at trying to grow both retail and online.

General Counsel Kearney asked Deputy Director Grubbs if he could clarify when he said that retail has grown since online lottery was implemented and yet for the past five years there's been a decrease and did he have any ideas as to what that's attributable to. Deputy Director Grubbs stated that he believes that the amount of competition at retail, such as unregulated games of skill, has had a huge impact on the Lottery since 2016 when these games first popped up on the scene. He said he believed that ultimately, if the Lottery hadn't expanded the base, sales would have declined further. Deputy Director Weyant added that right now, what is being seen, is that Scratch sales across the industry are soft. She explained that the Lottery is coming off of that extraordinary COVID-19 year and things are returning back to normal. Sales are not growing against that, they're growing against pre COVID-19 levels and seeing a return to those pre COVID-19 levels. In Pennsylvania, the same law that gave the Lottery the ability to sell online also legalized a huge gaming expansion bill that year. Basically, since 2018, the Pennsylvania market has significantly expanded and it's very saturated. It was one huge gaming expansion bill, and the Lottery received a piece of it to be able to sell online and to offer Keno. General Counsel Kearney asked her thoughts on why that has had an impact on brick and mortar sales but has not had the same impact on online sales, which appear to be growing. Deputy Director Weyant responded that there is evidence to show that the Lottery is acquiring newer, younger players, about 10 years younger than a retail lottery player on average. So, the Lottery is using iLottery as an acquisition tool and then the strategy is to drive them back into retail and make it as easy as possible to shop in both areas.

Chief Executive Officer Warner stated that she appreciated the time being spent and responded to Deputy Director Weyant's statement that they have not seen an increase in Problem Gambling and asked if she had any research to base off that statement. Deputy Director Weyant responded that the Pennsylvania Lottery does not track data on Problem Gambling, but the entities in Pennsylvania do. She explained that the local chapter of the Council on Problem

Gambling issues a monthly helpline report. She stated that with the huge expansion back in 2017, they track how many of the calls are coming in regarding lottery. There was an increase in overall calls to the hotline, as far as the portion of that that's lottery related, it's just a small percentage of those calls at about .52% of the calls. Because of the market and all the different gaming opportunities there was an increase in calls to the hotline, but the lottery portion of that was a small percentage of those calls.

Chief Executive Officer Warner asked if the Pennsylvania Lottery was using the tools that Scientific Games provided with their products. Deputy Director Weyant responded that the iLottery platform has a lot of those tools that are built into it. She stated that Pennsylvania law required the Lottery to establish a self-exclusion program, and the Lottery follows the iCAP best practices. Therefore, when the iLottery program was being set up, the iCAP standards were used when making key decisions about how to set up the platform. These were the resources that the Lottery used and were better positioned for certification because those standards were followed when the program was designed.

Chief Executive Officer Warner asked if the Pennsylvania Lottery had to make changes to the brick and mortar games and is there shared branding around Responsible Gaming across Lottery terminals and iLottery products. Deputy Director Grubbs explained that when new retailers are brought in they are trained in Responsible Gaming when they are being trained to sell Lottery products. The Lottery also puts signage up and leaflets out at retail. It's a holistic approach to gaming. Lottery products are everywhere, they're ubiquitous and so that approach is taken at brick and mortar as well.

Chief Executive Officer Warner asked if the Pennsylvania Lottery had a dedicated, Responsible Gambling person on staff. Deputy Director Weyant stated that they have an RG Coordinator on staff in the communications department at the Lottery. Chief Executive Officer Warner asked if the RG Coordinator worked with a team who included such people as Liz Lanza (referring to the Director of the Office of Compulsive and Problem Gambling in Pennsylvania) along with others in Pennsylvania. Deputy Director Weyant responded that there is a group, and that Director Lanza works with the Pennsylvania Gaming Control Board. Deputy Communications Director Diana Dietz is the Lottery's representative, and they have a consortium group along with Executive Director Josh Ercole from the Council on Compulsive Gambling. In addition, the Lottery has a partnership with the Pennsylvania Department of Drug and Alcohol who are also a part of this group. Deputy Director Grubbs added that each employee of the Lottery takes Responsible Gaming training and are tested each year to make sure that they understand what that is.

Executive Director Warner asked if the Lottery has done any research around their player base and the demographic makeup of who's more likely to play online versus those who play with traditional lottery products. Deputy Director Weyant stated that the Pennsylvania Lottery does have player demographics, but a lot of the Lottery's research is confidential and protected, but there are player demographics as well as demographics of those who are on the self-exclusion program.

Executive Director Warner asked when someone self-excludes through iLottery in Pennsylvania, is it just through iLottery or is there a statewide list. Deputy Director Weyant responded that the Pennsylvania Lottery has a self-exclusion program for iLottery separately. She explained that the casinos also have a self-exclusion program, and the Pennsylvania Lottery does not share lists. The information is confidential, but the way the accounts are set up in

Pennsylvania, if a person self excludes for lottery, the Lottery has one account with a single sign on, and it's the same account that retail players would use to enter Second Chance Drawings. When a person self-excludes, it locks their Pennsylvania Lottery account so that they can't pay online, they can't enter Second Chance, and they are removed from the marketing lists, and so there's a bit of a crossover to the retail side in terms of Second Chance Drawings.

Chairman Brennan asked if there were any other questions. Recognizing that there was none, he thanked Deputy Director Weyant and Deputy Director Grubbs for their time.

IV.   **Discussion of agenda items for next meeting**

Executive Director Brennan asked if there were any items that they'd like to see on the next agenda. Executive Director Warner stated that it would be helpful to have presenters give a little more detail and a little more information as it relates to RG and PG ("Problem Gambling"), such as the elements they've used and any data they have collected. Director Muradian stated that she would like to have another state come in because her concern was regarding Keno, and Pennsylvania is not the same as Massachusetts in that respect. Executive Director Brennan asked if New Hampshire had Keno in a similar fashion to Massachusetts. Executive Director Mark Bracken stated that the Committee can ask other states but cautioned that no one does more in Keno sales than Massachusetts. He stated that the closest state on a monitor game is about $300 million total. The Massachusetts State Lottery does 1.2 billion in monitor games sales, and they are not a big product in any other state but Massachusetts. He stated that in terms of online, he didn't think the Committee could find any state with an online Keno program. He told Director Muradian that she may have a hard time and he'd be happy to talk to her offline regarding ideas on monitors and Keno. However, he did suggest that the group speak to the Michigan Lottery and stated that they don't put their traditional Keno online, but they do offer a bunch of online versions of Keno and probably the closest the group will be able to find.

Chairman Brennan suggested that for the next meeting the Committee invite Michigan retailers along with representatives from the Michigan Lottery and include that they able to discuss information regarding RG and PG. Executive Director Bracken stated that the Lottery will assist the Committee in getting contacts from Michigan. He noted that Michigan is the first online lottery state and are the most mature. He added that they're not the highest in sales anymore, but they've been doing it the longest and can give the Committee the larger aspects because they've been in operation for over 10 years online.

The Committee agreed that the next meeting would be held on Tuesday, December 3rd, and tentatively the first Tuesday of each month was a consistent approach going forward.

V.   **Other Business – Reserved for Matters not Reasonably Anticipated at the Time of Posting**

After asking if there was any other business to discuss, Chairman Brennan sought a motion to adjourn the meeting. Chief Executive Officer Marlene Warner moved to adjourn and Director Jessica Muradian seconded the motion.

Chairman Brennan, recognizing there was no further discussion, moved the motion to a roll

call vote. General Counsel Ryan Kearney: yes; Chief Executive Officer Marlene Warner: yes; Director Jessica Muradian: yes; and Chairman Peter Brennan: yes. The Motion carried.

The SLMC meeting adjourned at 2:25 p.m.

List of Documents and Exhibits Used:

- November 2024 Stakeholder Lottery Modernization Committee Meeting Book
- PAiLottery_110424