

**Stakeholder Lottery Modernization Committee  
Official Minutes of 02/04/2025 SLMC Meeting**

**Stakeholder Lottery Modernization Committee Meeting  
Official Meeting Minutes**

DATE: Tuesday, February 4, 2025

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), Chair  
Ryan Kearney, General Counsel, Retailers Association of Massachusetts (RAM)  
Marlene Warner, Chief Executive Officer, Massachusetts Council on Gaming & Health (MACGH)  
Alain Hauvuy, Lottery Sales Agent, Wine Beer and More, Bridgewater

MEMBERS ABSENT: Jessica Muradian, Director of Government Affairs, Massachusetts Restaurant Association (MRA)

ALSO PRESENT: Mark William Bracken, Executive Director, Lottery  
Christian Teja, Chief iLottery Officer, Lottery  
Gregory Polin, General Counsel, Lottery  
Steven Martins, Chief Revenue Officer, 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  
Leslie Zella, Legal Assistant, Lottery  
  
Khalid R. Jones, Executive Director, Virginia Lottery  
Scott Kenyon, Deputy Executive Director, Marketing, Virginia Lottery  
Jennifer Mullen, Deputy Executive Director, Communications & Customer Relations, Virginia Lottery

**I. Opening of Meeting**

**a. Notice regarding recordings**

Chairman Peter Brennan opened the Stakeholder Lottery Modernization Committee (“Committee”) meeting at 1:31 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

**Stakeholder Lottery Modernization Committee  
Official Minutes of 02/04/2025 SLMC Meeting**

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: General Counsel Ryan Kearney, Chief Executive Officer Marlene Warner, Lottery Sales Agent Alain Hauvuy, and himself Chairman Peter Brennan. 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.

**II. Approval of minutes from meeting held on January 7, 2025**

Chairman Brennan sought a motion to accept the minutes from the meeting held on January 7, 2025. Sales Agent Alain Hauvuy made a motion to accept the minutes and General Counsel Ryan Kearney seconded the motion.

Chairman Brennan, recognizing there was no further discussion, moved the motion to a roll call vote. General Counsel Ryan Kearney: yes; Sales Agent Alain Hauvuy: yes; Chief Executive Officer Marlene Warner: yes; and Executive Director Peter Brennan: yes. The Motion carried.

The minutes were approved at 1:34 p.m.

**III. Discussion with Virginia Lottery official(s) regarding their iLottery operations**

Chairman Brennan announced that guests from the Virginia Lottery were in attendance to discuss their iLottery operations. He then introduced Khalid R. Jones, Executive Director, Virginia Lottery and asked the other representative if they could introduce themselves.

Scott Kenyon introduced himself as the Deputy Executive Director of the Marketing Department.

Jennifer Mullen introduced herself as the Deputy Executive Director for Communications & Customer Relations at the Virginia Lottery.

Virginia Executive Director Jones stated that when Executive Director Mark Bracken called and invited his team to present to the Committee, they jumped at the opportunity because they understood how important this is to Massachusetts and all the stakeholders who sit at the table.

## **Stakeholder Lottery Modernization Committee Official Minutes of 02/04/2025 SLMC Meeting**

Executive Director Jones relayed that the Virginia iLottery program began in 2020 and there were a lot of questions. Back then, the whole prospect of iLottery was more nascent. What he hoped to get across at the meeting today is how the program got up and running, what some of the precursors were, and the lessons learned. He also was hoping to convey how iLottery can “play nicely” with brick and mortar and the efforts Virginia has been undertaking to ensure that both parts of the business are able to thrive. While Virginia doesn’t have the same issue with separate beneficiaries as Massachusetts, it has it from a constituency perspective. He explained that the Virginia Lottery has a very active retailer group and they receive calls from them, and from the legislature, in terms of how the program works and whether they’re still able to progress.

Executive Director Jones shared that Deputy Executive Director Mullen also heads up the Responsible Gambling (“RG”) efforts in addition to being the head of Communications and Customer Relations, and so when the Lottery thinks about its growth, RG is a big part of it. He added that the Virginia Lottery is also the Gaming Regulator and so it has a keen insight into what other operators are doing and ensures that the Lottery remains in lockstep with that.

Executive Director Jones provided an overview of the Virginia iLottery Program focusing on its history and current offering. He shared a timeline of Virginia’s online sales and reported that the Virginia Lottery started with online subscriptions for Mega Millions and Powerball in 2016. He described it as the kickoff of what would be the dawn of modernization for online at the Virginia Lottery. Retail tethered online games came a couple of years after that which was the Bluetooth Era, and the precursor where there were certain locations players could be connected if they were in the range of the Bluetooth dongle and could play online from those locations. He stated that from what he understood, it was a little bit clunky, but it was a step in that direction towards increased modernization that led up to the legislative efforts made by the team and partners in the legislature, for full online lottery. This included single ticket Draw Game purchases and eInstants that started FY21.

Executive Director Jones reported on the current offerings and stated that the majority of Draw Games excluding Keno, Cash Pop, Print ‘n Play, and Bank a Million are offered online. At any given time, the Virginia Lottery is offering over 100 eInstants with both in-state and multi-state linked progressive jackpots. Multi-state linked progressive jackpots have been popular since they've been launched and are available on the website and the mobile app. He related that there is a digital divide of people who find it difficult to be online and people who are still primarily using a desktop versus being on their phone, and it’s important to capture it all. Data is available that differentiates if someone is playing on the website versus the mobile app and that kind of data is significant when thinking about how to link these programs to brick and mortar. In addition, the Lottery recently launched a rewards program that awards points for both retail and online purchases and depending on how much is purchased, is how many rewards are earned.

Executive Director Jones next discussed the impact to retail sales and commissions. He called the Committee’s attention to the meeting materials that showed a pre and post iLottery comparison beginning in 2014. He reported on a somewhat steady progression from 2014 to 2019. He reported that in 2020, there was a step up which coincided with the launch of iLottery and COVID-19.

Executive Director Jones reported that initially there was a fear from the retail partners at the start of iLottery, but it’s not what was experienced. The Virginia Lottery was able to retain the high level of retail sales even after iLottery started and even after COVID-19 was well underway. He noted a slight decline between 2021 to 2023 and explained that for a certain portion of time, Virginia had skilled or Gray Machines at retail that were unregulated, and this impacted the Lottery business. Currently, they are technically illegal in Virginia, but there are still some in the market although there

## **Stakeholder Lottery Modernization Committee Official Minutes of 02/04/2025 SLMC Meeting**

are measures in the legislature to create a legalized market for them. In FY24, the Virginia Lottery experienced the highest retailer commissions and the highest iLottery sales in its history.

Executive Director Jones shared his next slide, “Can You Do Both” and stated that it is possible to do both. He explained that the Virginia Lottery experienced a record-breaking year in FY24 on many fronts. Overall, the Lottery set a sales record, a profit record, an iLottery sales record as well as a retailer commission record. All these records happened because the team at the Lottery made a concerted effort to provide programs that would support both. Executive Director Jones discussed the ways in which this was achieved. He stated that one of the most important things was to have an omnichannel approach as well as licensed property. He explained that this year Virginia has offered licensed properties such as “Let’s Make a Deal” and Skee-Ball, both were launched online as well as having a companion ticket in the market at the same time which allowed both to feed the rewards program.

Executive Director Jones related that the data shows there are players who prefer retail and players who prefer online but he has seen a growing number of players who play on both channels. This made it obvious to have a consistent and focused promotion program on the whole customer and everywhere that they play. He noted that Virginia uses an Omnichannel approach and collaboration within retail. He stated that for example, Virginia rolled out a pilot program at some of the bars and restaurants where QR codes were placed and if a player wanted to play online, they could scan that code in, it would be credited to that retail location, and that retail location would receive the bonus. He stressed that it’s important to determine how to tie the offline with online because the online program is going to continue to grow as the direction the world is going, and that doesn’t mean leaving the retailers behind.

Executive Director Jones turned the presentation over to Deputy Executive Director Scott Kenyon to talk about Virginia’s Withdrawal Voucher and the Affiliate Program.

Deputy Executive Director Kenyon stated that the Lottery consistently looks for opportunities to bridge the online and retail gap. He described the Withdrawal Voucher program as simple. Online players have a player wallet for their account and are offered many ways to get their winnings. He explained that online players can go to the retail locations that they have always gone to, their winnings can be redeemed, and retailers then receive the cashing commission from that transaction. He reported that from June 2024, Virginia had nearly \$9 million in prizes that were withdrawn at retail and had over 100,000 withdrawal vouchers that put money right back in the hands of players to use for other things.

Deputy Executive Director Kenyon reported on the Virginia Lottery’s Affiliate Program / QR Code Pilot. He stated that this is usually done for online platforms through banners on websites and YouTube videos where someone can click on a banner and receive free plays by entering a promo code. While the Virginia Lottery has been primarily focusing on the online channels and websites for this, this would be done more in social establishments. A QR Code pilot program through the affiliate program would pay for live players who come on and make a first-time deposit. He noted that the Lottery is also exploring running a pilot through the program with a local fuel company. This is taking what has traditionally been an online affiliate connection and bringing it to the retail space.

General Counsel Ryan Kearney asked why the affiliate program is done on a per depositor basis instead of a lifetime value of the customer basis. Deputy Executive Director Kenyon explained that the Lottery really focuses on the deposit because one of the big cruxes of a good iLottery program is a robust Customer Relationship Management (“CRM”) program, where constant emails and promotions are sent to players and a lot of money and effort is spent to keep players engaged over the

## **Stakeholder Lottery Modernization Committee Official Minutes of 02/04/2025 SLMC Meeting**

course of time. Retailers and all the affiliates are encouraged to get players in the door, and it is the Lottery's job to keep them engaged by spending the money, the time, and the effort. The focus is really placed on that first time deposit to get them in the door from an acquisition perspective and then the Lottery takes over for a retention of those players.

General Counsel Kearney asked for insight regarding the qualifications or eligibility requirements for becoming an affiliate partner and asked if certain standards needed to be met. Deputy Executive Director Kenyon explained that they do sign a generic type of contract that has certain terms and conditions within that contract. Executive Director Jones noted that it's not a "take all comers." It's important to know who you're working with from an affiliate standpoint and if they sign the contract and follow the terms and conditions, then it's good to go. Chief Executive Marlene Warner asked if the terms and conditions outline the content that they can push and are there specific rules around that. Deputy Executive Director Kenyon explained that the Lottery works directly with them on the content and helps them with such things as building the banners and giving them the promo code. It's very much guided from the marketing perspective by the Lottery.

Deputy Executive Director Kenyon moved on to discuss retail and the Lottery's Reward program. He stated that it's been around since June 2024 and described it as a huge initiative. The program allows players to enter tickets that they purchased from retail, as well as online transactions, and as part of the loyalty program players can use these points to play and receive retail coupons. Since June 2024, 76,332 coupons have been redeemed through points with more than half of the coupons being redeemed for retail play. He described this as a great way for players who may be more on the retail side to then be able to get coupons for the games that relate to them at retail.

Deputy Executive Director Kenyon reported on the Online Cash Voucher. He stated that this has been around for a while. With the Online Cash Voucher, players can make a predetermined deposit into their iLottery account at retailers and retailers earn a selling commission for all vouchers sold. So, without entering debit or bank-account information online they can purchase these vouchers at retail. This initially started because of the early feedback from players who didn't want to put their bank information in. He reported over 9,000 players have deposited using an Online Cash Voucher for a total value of nearly \$7 million purchased at retail.

Executive Director Jones stated that it's important to track all the different states that have iLottery. Through October 2024, nearly a fifth of the population had an iLottery account. He reported that there are 8.5 million people in Virginia and 1 in 10 have made a deposit into their Virginia Lottery account, and so it's important to find ways to raise that number. In Virginia's most recent tracking study, 62 percent of people have never purchased a Draw Game online and 70 percent have never purchased an eInstant game, and that means there's still room to grow. It's also important to know why people who are playing the Lottery are not playing iLottery. He reported that according to the FY24 tracking study, the most significant reason players do not purchase online is because they prefer going to the store (39 percent) and that they're not interested (14 percent).

Deputy Executive Director Kenyon shared Virginia's iLottery Content Providers. He stated that the Lottery has a lot of partners to make this work. Much of the work is done in-house but having good partners is important. Virginia's iLottery contract is through NeoPollard Interactive and it is a combination of Pollard and Aristocrat who started a joint venture a few years ago for the Michigan Lottery. He explained that the Virginia Lottery uses two different types of direct integration content providers (remote game server that makes and builds the games). These are NeoGames Studio ("Aristocrat") and Instant Win Gaming ("IWG").

## **Stakeholder Lottery Modernization Committee Official Minutes of 02/04/2025 SLMC Meeting**

Deputy Executive Director Kenyon stated that in addition to direct integration, the Virginia Lottery has Aggregation which is a third party where people can funnel their content through to the Lottery. This allows adding more providers more frequently because they are specialists in aggregation. Where direct integration can be time-consuming, aggregation is much quicker, it also allows for a more robust, diverse availability of content with many different organizations. Unlike the scratch side, which is costly and expensive to build, this can be done online with much simpler and less overhead requirements. The goal over the next few years is to keep the new content along with new and different content, including virtual sports with a diverse set of content providers. The goal is to make sure at the end of the day, these different types of games work with these different content providers attracting the audience that appeals to that type of game. Executive Director Jones added that content and finding a new game, and the ability to rotate those, are hyper important. Aggregation allows the Lottery to work with smaller providers such as EQL and get the kinds of innovations from a gaming perspective that otherwise it would not have been able to access.

Executive Director Jones reported that the Virginia Lottery has been able to extend and work with licensed brands seamlessly within the iLottery program. He mentioned Skee-Ball and Willy Wonka as being successful online as well as offline and ones that both work very well when offered on both channels.

Executive Director Jones announced that the Virginia Lottery just released its first Responsible Gambling (“RG”) Annual Report. He stated that this goes in concert with updates and ensuring that some of the RG measures are fair in terms of such things as messages that pop-up when people have been playing for a long time. Given the growth of the iLottery program, this is being extended to randomized-type RG quizzes that are consistent but not disruptive. RG efforts in the online space have been aimed at integrating the ethos and the direct messaging of RG within the game play itself. He then asked Communications Deputy Executive Director Jennifer Mullen to share some of the Virginia Lottery’s RG efforts.

Deputy Executive Director Mullen stated that for many years the RG message in Virginia was all about making sure folks were aware of the resources in Virginia. The unique opportunity that comes into play with iLottery is that it allows for more effective direct messaging. She explained that it’s no longer anonymous play and no longer the person walking into retail who may never touch the RG message. Online allows players to have more control to set their own limits, determine what’s best for them, and set daily, weekly, and monthly limits. The Virginia Lottery is always looking at ways to improve and incorporate new tools into the online platform. She relayed that a lot can be learned from sports book operators regarding their robust RG platforms, the tools they use, and what they offer their players.

Chief Executive Officer Warner asked to hear more about the voluntary self-exclusion program. Deputy Executive Director Mullen explained that there are two components to self-exclusion in Virginia. With the online platform, players can exclude themselves for one, three, or six months of play. Also, there is the Voluntary Exclusion Program (“VEP”) that was put into place statutorily when the Lottery was given regulatory authority over casinos and sports wagering. The Virginia Lottery administers the VEP and through the VEP players can exclude for two years, five years or a lifetime. She noted that it covers online account-based lottery play, not retail play, and all the other forms of gaming in Virginia. That file is shared out daily with charitable gaming, horse racing, casinos, and sports book operators, as well as being fed into Virginia’s online platform with the exclusion dates set in there for players.

Chief Executive Officer Warner asked that given the Virginia Lottery is the regulator and “the Lottery,” are RG messages being shared across all platforms so that folks don’t feel they must figure

## **Stakeholder Lottery Modernization Committee Official Minutes of 02/04/2025 SLMC Meeting**

out where to get the number and places they need for help across the various forms of gambling platforms. Deputy Executive Director Mullen explained that in Virginia's regulatory role, the sports book operators and the casinos have their own responsible gaming programs and there are certain things they're required to do. Executive Director Jones added that it's very important that as an operator to not ask regulated partners to do things that are not being done with Lottery products. It may look like it's a universal message but it's just that they're being held to the same standard as the Lottery.

Executive Director Bracken thanked the Virginia team for presenting and asked for an estimate on how much the Virginia Lottery is spending each year on retail advertising to be able to drive players into retail. Deputy Director Kenyon explained that it was approximately in the low \$30 millions. He reported that a lot of initiatives are taken with an omnichannel approach, focusing on both products and encouraging players to drive to whatever product they want. He noted that advertising is hugely important, and they spend quite a bit of money to encourage players. He stated that from an online perspective, the biggest acquisition driver is Mega Millions and Powerball and it is what gets a lot of new players in the door. Even the basics of being able to communicate to a player that the jackpot is a billion dollars, it is what will get them from the gas pump into the store to buy a ticket. It's important to be able to have robust advertising associated with fixed things like jackpots as well as billboard supported campaigns.

Deputy Director Kenyon reported on A-level campaigns and what that entails for the Virginia Lottery. He stated that there are approximately four to five A-level campaigns that they run throughout the year. He described an A-level campaign as "everything and the kitchen sink" including broadcast television, streaming video, radio, digital and experiential. These are multi-million-dollar campaigns associated with big production budgets and are important for the Virginia Lottery in addition to the static campaigns that are run throughout the year.

General Counsel Kearney asked if the \$30 million spend is set at a flat rate appropriated by the legislature. Executive Director Jones explained that the Virginia Lottery is authorized to spend 10 percent of sales on operations and was under 4 percent of that last year. He stated that it's not set at a cap, and the Lottery determines what that is year to year based on the upper limit of what they're authorized to spend. He added that they strive to be below 5 percent but are authorized to go up to 10 percent. Deputy Director Kenyon stated that last year it was a little less than \$34 million and this year that number increased a little due to inflation costs for media production. A flat rate doesn't consider the increasing costs and it's one of the benefits of being able to adjust costs year-over-year depending on what the predictive spend is.

Executive Director Bracken followed up to his earlier question reiterating that the Virginia Lottery is spending 4 percent on operating costs whereas Massachusetts spends 2 percent. Virginia's entire program is running at twice the amount and that's because the Massachusetts Lottery is appropriated and not allowed to do revenue share at retail. General Counsel Kearney asked if it's better to ask the legislature for an appropriated flat amount or ask for a percentage of sales. Executive Director Bracken explained that when the legislature passed iLottery it was not appropriated and there's a wide berth on what is allowed. However, the Massachusetts Lottery retail operation is restricted because it's purely appropriated with a set budget for the year.

Chief Executive Officer Warner asked what Virginia's advertising codes are in terms of attracting youth and how it is handled both online and at retail. Executive Director Jones explained that the Virginia Lottery has language in the code regarding advertising that can be read as two ways, being very, very restrictive or in a way that shows that the Lottery exists to provide funding for K-12 public education and done in a way that still gets people to play the games in modern society. He described

**Stakeholder Lottery Modernization Committee**  
**Official Minutes of 02/04/2025 SLMC Meeting**

Virginia doing this in such a way as “threading a needle.” It is done in a way that doesn’t tell anyone to play, but let’s them know that the games exist. He stated that the Lottery promotes supporting K-12 education and doesn’t say “click this button and play right now.” He remarked that Deputy Director Kenyon’s team does a good job at getting the message out in a way that’s not violative of the code. Deputy Director Kenyon added that the Lottery only surveys adults and focuses on things that are attracted to adults. In addition, one of the big benefits of the iLottery program is the Know Your Customer (“KYC”) process and verifies that everyone that plays is eighteen years old or older and you cannot play the games without having an account.

General Counsel Kearney asked about the interchange fee. He relayed that Massachusetts allows for debit at retail now but part of what the group is tasked with is to look to the expansion of that and asked what the Virginia Lottery in the Commonwealth of Virginia does regarding fees. Executive Director Jones stated that Virginia does allow for debit and does not pay the fees. If a retailer chooses to accept debits at retail, they choose to accept the fees that come along with it. Executive Director Bracken asked what percentage of sales at retail are made by debit as opposed to cash transactions. Executive Director Jones stated that he did not have that information but would see if it was available.

Chief Executive Officer Warner left the meeting at 2:30 p.m.

**IV. Discussion of agenda items for future meetings**

Chairman Brennan discussed the agenda items for future meetings. He stated that the idea for the next meeting is to dig into the interchange fees and determine what the statute calls for in the enabling legislation. He noted that he would be reaching out to a couple of the national organizations that have been pursuing swipe fee legislation to ask if there was an expert on the subject who could present to the Committee. General Counsel Kearney informed the Committee that he has reached out to the National Retail Federation and will also be reaching out to the Retail Industry Leaders Association to see if someone there could join the Committee for next month’s meeting.

Chairman Brennan stated that Beth Bresnahan, the Chief Communications and Brand Officer at Scientific Games, would be joining the Committee to speak during the meeting in April.

**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. General Counsel Ryan Kearney moved to adjourn and Sales Agent Alain Hauvuy seconded the motion.

Chairman Brennan, recognizing there was no further discussion, moved the motion to a roll call vote. Sales Agent Alain Hauvuy: yes; General Counsel Ryan Kearney: yes; and Chairman Peter Brennan: yes. The Motion carried.

The SLMC meeting adjourned at 2:33 p.m.

List of Documents and Exhibits Used:

- February 2025 Stakeholder Lottery Modernization Committee Meeting Book