



Together, we do good things.

Debbs Potts Oregon State Lottery Commission Building

500 Airport Road SE
Salem, OR 97301

**OREGON STATE LOTTERY COMMISSION MEETING
Nov. 17, 2023**

Lottery Commission: MardiLyn Saathoff, chair
Maulin Patel
Marty Ramirez
Jeff Weller
Julie Wilcox

Director: Mike Wells

Chair Saathoff called the Nov. 17, 2023, Oregon State Lottery Commission meeting to order and stated for the record that the commissioners are attending today's meeting via a web meeting, Commissioner Ramirez is excused, and a quorum of commissioners is present.

Commissioners present at roll call: Commissioners Patel, Weller, Wilcox, and Chair Saathoff.

A. PUBLIC COMMENT

Chair Saathoff stated that members of the public had the opportunity to provide written public comment and confirmed with the clerk that no written public comment was received.

B. DIRECTOR'S REPORT

Presenter: Tai Calandriello, interim deputy director

Lottery news

Interim Deputy Director Calandriello shared that several staff members attended the North American Association of State and Provincial Lotteries annual conference earlier this month, noting that it was an opportunity for staff to connect with direct counterparts in other state lotteries, learn about emerging technologies, and gather ideas to improve operations.

Lottery added its first electric vehicle to its fleet last year and has recently added its first plug-in hybrid minivan that provides a larger 520-mile range. Lottery looks forward to the test results and what it may mean for reducing its impact to the environment.

Interim Deputy Director Calandriello reminded the Commission that Lottery recently participated in the statewide Charitable Fund Drive and thanked staff for participating. The month-long drive raised \$16,303 for various non-profit organizations throughout Oregon.

- Commissioner Wilcox thanked staff for their participation in the Charitable Fund Drive.

Sales

- Scratch-its
 - The \$20 holiday Scratch-it game is leading all other seasonal price points.
 - The average ticket purchase is \$4.16 to date, about \$1 over 2018.
 - The \$1 and \$2 holiday tickets are ahead of last year's sales by nearly 10 percent.
 - Overall, Scratch-it sales are even with last year.
- Traditional games are up 5.7 percent from last year, due to three \$1 billion+ jackpots this business year.
- Sports betting turnover (the amount wagered) is up 127 percent from last year.
- Video Lottery is down 1.1 percent from this time last year.

Winners - Interim Deputy Director Calandriello shared stories about the following winners:

- Torrey R. of Wheeler won \$12,560.20 playing Big City 5 Diamonds Video Lottery.
- Kimberly S. of Portland won \$9,548.85 playing Big City 5 Diamonds Video Lottery.
- A player won \$65,020 after betting \$20 on NFL sports. The wager included player prop bets and other selections with a low probability of winning.

C. MINUTES OF THE PREVIOUS MEETING, Exhibit 1

Presenter: Mardilyn Saathoff, chair

The Commission reviewed the Oct. 27, 2023, Oregon State Lottery Commission meeting draft minutes, which were circulated in advance of the meeting. There were no recommended changes.

Chair Saathoff called for a motion.

Commissioner Weller moved that the minutes of the Oct. 27, 2023, Oregon State Lottery Commission meeting be approved as final, as presented today.

Commissioner Patel seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Weller Wilcox, and Chair Saathoff voting aye.

D. FINANCIAL REPORT, Exhibit 2

Presenter: Monique Fawver, manager, financial reporting

Financial statements, October 2023

Fawver provided an overview of the financial statements and described expenses and variances in the operating statement, services and supplies supplemental schedule, and balance sheet, noting that variances will be reviewed and corrected during the mid-year budget review, if needed. Fawver reminded the Commission that the budget for the retailer network expenses will be updated when the specific details related to the upgrade of the wide-area network are finalized.

- Chair Saathoff asked about the underspend in the services and supplies budget, specifically in technology and professional services. Fawver shared that much of this is a timing issue that is created when expenses are budgeted in one month, or spread out evenly throughout the year, and when they occur.

Chair Saathoff called for a motion.

Commissioner Wilcox moved that the Oregon State Lottery financial statements for the month ended Oct. 31, 2023, be approved for the record as presented today. Commissioner Weller seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Weller, Wilcox, and Chair Saathoff voting aye.

E. Rulemaking

Presenter: Kris Skaro, rules and policy analyst

OAR 177-040-0051: Designated Employees and Payment of Prizes, Exhibit 3

Skaro reminded the Commission that the proposed amendment addresses the practice of retailers and employees purchasing winning tickets or cash slips from players. Lottery is concerned that players are being misled about prize claim requirements or are trying to avoid tax and debt offsets and would prefer that retailers not facilitate those activities. This conduct is partially addressed in rules, but Lottery was advised to state the prohibited conduct more clearly.

Skaro provided an overview of the rulemaking process, and noted that Lottery received five written comments, which were provided to the Commission and the director for consideration and were summarized in the meeting materials.

Chair Saathoff called for a motion.

Commissioner Patel moved that OAR 177-040-0051 be amended, as presented today, effective Dec. 1, 2023. Commissioner Wilcox seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Weller, Wilcox, and Chair Saathoff voting aye.

OAR 177-040-0055: Advertising Lottery Games and Inducements to Play, Exhibit 4

Skaro reminded the Commission that the proposed amendment will clarify that a Lottery retailer cannot use the word "lottery" or other terms Lottery has determined that may negatively impact the fairness, integrity, security, or honesty of Lottery in their business name.

Skaro provided an overview of the rulemaking process, and noted that Lottery received four written comments, which were provided to the Commission and the director for consideration and were summarized in the meeting materials.

- Chair Saathoff asked if we received public comment about Lottery's ability to restrict the use of "lottery" in their business name and Skaro replied that Lottery received one comment about free speech, but Lottery feels there is a legitimate purpose for the restriction. Chair Saathoff supports the policy decision.
- Commissioner Weller shared his support for this rulemaking.

Chair Saathoff called for a motion.

Commissioner Weller moved that OAR 177-040-0055 be amended, as presented today, effective Dec. 1, 2023. Commissioner Patel seconded the motion.

The motion passed by a 4-0 quorum vote, with Commissioners Patel, Weller, Wilcox, and Chair Saathoff voting aye.

F. COMMISSIONER COMMUNICATIONS AND OTHER BUSINESS

Presenter: MardiLyn Saathoff, chair and Maulin Patel, commissioner

Audit Committee update – Commissioner Patel shared that one of the Governor’s agency expectations is a biannual report to measure audit accountability that Internal Audits will providing to the Department of Administrative Services. Commissioner Patel added that the committee reviewed current open audit recommendations, noting that there were eight open items from last year, with 80 added, 67 of which are from the biennial security review. Out of the items that have been closed, close to 70 percent were high and medium risk, which shows that management is working on these issues. The committee also reviewed the current year’s engagements and activities in progress, noting that they are all on track.

Chair Saathoff stated that the next monthly commission meeting is scheduled on Dec. 15, 2023 and adjourned the meeting.

The Oregon State Lottery Commission approved these minutes on Dec. 15, 2023.

Alisa Zavala

Alisa Zavala (Dec 15, 2023 11:05 PST)

Alisa Zavala, Senior Executive Assistant
Lottery Director’s Office

Approved by:

MardiLyn Saathoff

MardiLyn Saathoff (Dec 15, 2023 12:40 PST)

Commissioner MardiLyn Saathoff, Chair
Oregon State Lottery Commission

OSL Commission meeting exhibits are available for one year on the [Oregon Lottery’s website](#).