



WASHINGTON'S LOTTERY COMMISSION MEETING MINUTES

December 12, 2024

Lottery HQ – Olympia, WA/Microsoft Teams

Commission Member Attendees:

Judith Giniger, Commissioner, Chair
Schuyler Hoss, Commissioner
Rudy Mendoza, Commissioner
Eileen Sullivan, Commissioner

Lottery Staff Attendees:

Joshua Johnston, Director	Wyatt LaBaw, Investigator
Cassi Villegas, Deputy Director	Kim Ficek, Customer Service Specialist
Kristi Weeks, Director of Legal Services	Lenee Otto, Finance Manager
Todd Steben, Director of Finance	Chris Rhodes, Helpdesk Lead
Randy Warick, Director of Sales & Marketing	Alex Satterlund, Internal Auditor
Derek Poppe, Director of Security & Licensing	Hilary Elkins, Budget Manager
Crystal Fischer, Director of Information Services	Amy Brever, IT Customer Support
Gaylene Gray, Instant Product Manager	Jenna Johnson, Procurement Manager
Tiffany Pringle, Legal Services Coordinator	Stacy Sund, Merchandising Coordinator
Anquone Conyer, Support Services Manager	Rita Hawkins, Executive Assistant
Debbie Porter, Licensing Coordinator/Investigator	
Leah White-Noreen, Director of Human Resources & Support Services	
Shar Hawley, Director of Org. Perf. & Planning	
Jessica Roswell, Marketing Operations Manager	
Jenny Whiteside, Corporate Acct. Manager	
Jim Bevan, SharePoint & Office Administrator Coordinator	

Other Attendees:

Eric Allen, Assistant Attorney General
Dan Miller, Curator
Xiamara Garza, Curator
Ernie Perez, IGT
Becky Bogard, IGT
Rosina DePoe, WIGA

Rule Hearing:

Chair Judith Giniger began by asking for a commissioner roll call. Commissioner Schuyler Hoss, Eileen Sullivan, and Rudy Mendoza confirmed their virtual attendance.

Chair Giniger began the public hearing on proposed amendments to chapter 315-38 WAC filed on October 25, 2024, published in the Washington State Register as number 24-22-017. Chair Giniger reminded the audience of hearing protocol: This hearing is being held in-person and video conference today, December 12, 2024, in accordance with the Administrative Procedures Act, chapter 34.05 RCW. During this hearing we will accept public comments on proposed rules. Chair Giniger provided some guidelines, when asking for public comment, these guidelines include, if you are testifying, please unmute the line, provide your testimony, and then once finished, please mute again. Please do not interrupt, everyone will have a chance to comment. If there are many comments today, we will limit the time for

speaking. Please limit comments to content of proposed rule, suggestions for changes, and be specific. The Commission will not respond to questions or comments today, but we may ask clarifying questions regarding the testimony we receive. If you have additional questions after the meeting, please address a staff member. All comments today will be summarized and sent to everyone who asks to receive them and provides contact information. When you testify, please be clear, provide contact information, including who you represent and whether you support or oppose the proposed rule. Chair Giniger opened the floor for public testimony. Hearing and seeing none, Chair Giniger closed the hearing at this time.

Chair Giniger then provided some information about the next steps in the process. All the comments, including the written comments received, will be summarized and they will become part of the official rule making file. Based on what we've heard today and any written comments we receive, the Commission may choose to adopt the rule or make changes to the proposed rule language. If the Commission adopts the rule, the notice of adoption will be filed with the Code Revisers office. We expect an effective date of April 5, 2025, and the reason for the delayed effective date is to align our rule changes with the timing of the changes that are going to be to the national game. Chair Giniger adjourned the public hearing at 8:38am.

Call to Order:

8:45 a.m. – Chair Judith Giniger called the Lottery Commission meeting to order.

Chair Giniger began the meeting by asking for a commissioner roll call. In addition to Chair Giniger, Commissioners Rudy Mendoza, Schuyler Hoss, and Eileen Sullivan confirmed their virtual attendance.

Approval of Meeting Minutes:

Next, Chair Giniger entertained a motion to adopt the minutes of the October 17, 2024, Commission Meeting as presented.

Commissioner Hoss **so moved**, and Commissioner Sullivan **seconded**. Chair Giniger called for a vote to approve the minutes of the October 17, 2024, Lottery Commission Meeting. Ayes were unanimous.

Motion carried.

Approval of CR 103:

Chair Giniger introduced the next speaker, Kristi Weeks and the next agenda item, approval to file the CR-103 documents.

Ms. Weeks began by requesting a vote on the changes to the Mega Millions rules. Ms. Weeks referenced the copies of the most recent version of the rules in the Commissioners packets. Ms. Weeks said to notice since the language for the filing of the CR-102, there was one change, on page eight, at the request of the Chair, Ms. Weeks included a definition of what an exchange ticket is, because we talk about in the rule, but hadn't defined what an exchange ticket is. The definition is as follows: A ticket provided to a player when a multi draw ticket with outstanding draws is validated. An exchange ticket will be valid for the remaining draws purchased by the player, have a serial number distinct from the original ticket, and be labeled as an exchange ticket. Ms. Weeks provided some additional explanation by saying, if someone buys a ticket that has one play for the next twenty draws, and they win \$1000 on the second draw, they come in to claim their prize and we do not give them back the same ticket. Instead, we print a new exchange ticket for them with the remaining draws previously purchased. Ms. Weeks said there is also

another change that she will ask the Commission to make that is not in the packet, because it was just discovered. On page thirteen and fourteen of the rule language, we discuss the new odds of winning a prize and the odds related to getting the multiplier frequency. Ms. Weeks said we had originally taken the odds out to two decimal points, but some states are required to go out to four decimal points instead of two. Ms. Weeks requested permission to make the change to four decimal points when we file the final rules. Ms. Weeks said that both of these changes are non-substantive, so we do not need a new comment period or additional public hearing. Ms. Weeks asked for any questions and requested approval from the Commission.

Chair Giniger thanked Ms. Weeks for her presentation and given the explanation of the two changes, the Commission will proceed with those changes. Chair Giniger also mentioned that we had no written public comments and no comments during the public hearing. Chair Giniger entertained a motion to adopt the CR103 to adopt the amended rules for the Mega Million game change.

Commissioner Hoss **so moved**, and Commissioner Sullivan **seconded**. Chair Giniger called for a vote for approval of the CR103 to adopt amendments to Chapter 315-38 WAC, published in the Washington State Register as #24-22-017. Ayes were unanimous. **Motion carried.**

Chair Giniger continued and introduced our next speaker, Joshua Johnston.

Director's Update:

Director Johnston began his presentation by thanking the Commissioners for approving the rule changes. As the lead director of Mega Millions, Director Johnson provided a brief review and update on the progress with the launch of the revised game. Mega Millions is sold in 47 jurisdictions across the county, and it is critical to pass these rules. In order to keep everyone coordinated and on track, we have begun holding national monthly update meetings, allowing for between 250-300 people attend and listen to how the game is going to function with these changes, as well as any specific questions people have and it gives a format to do so. These updates are scheduled for the third Wednesday of each month, everyone can attend, if you would like more information, please reach out. Director Johnston continued by saying it also gives us an opportunity to share with other lotteries what to expect and what is upcoming. We have put together training templates, created mocked templates that lotteries can grab and use, has accurate information, allows lotteries to add their logos and not have to create anything themselves, which saves a lot of time and has been well received. In addition, with the assistance of Curator, we have put together national talking points and a question-and-answer template for lotteries to share with their sales teams, which has been extremely helpful. Director Johnston continued by mentioning we have answered a lot of questions from the media about the game and at the last count, we had about 2400 articles about the changes, with over 90% being either positive or neutral. Director Johnston announced another round of press will be coming soon, closer to the game launch, and he is feeling positive. Chair Giniger asked if the ten percent remaining articles or press had a theme or were not positive responses? Director Johnston asked Dan Miller, Curator, to respond. Mr. Miller said the majority of the ten percent were primarily focused on the price point or had concerns over lottery in general. Director Johnston thanked Mr. Miller and asked if the Commissioners had any other questions.

The next topic Director Johnston updated the Commission on is Washington's Lottery strategic initiatives, from our Strategic Business Plan (SBP), part of our two-year planning cycle. Director Johnston is particularly excited about the implementation of the Enterprise Performance Management system, or EPM. For those who have been around since we first instituted our strategic framework and strategic business plan, you know these have really helped guide us to where we are going. We will also

be holding quarterly target reviews, where we review the day-to-day performance of the organization. EPM is the next step in the maturation process of having a firm understanding of not only where we are going, but also how we are performing right now. Director Johnston said we will be developing a fundamentals map, which will capture the work we do as it aligns with the strategic nature of the organization. We will develop measures, place them in the system on a regular basis with the intention of democratizing the information and data, and have it organized for easy accessibility for staff, Commissioners, and the public.

Commissioner Giniger had a clarifying comment, confirming the lottery has acquired the system and has begun adding information to it? Director Johnson confirmed, yes, we have acquired the system and said there are two components to this. First, the fundamentals map, which was developed some time ago but not utilized, so we have some of the work done already. Second, is the actual computer system that will store the information. We are currently working on this second component; it was just added to our system yesterday. Director Johnston said this project is moving quickly and we plan to have this done and running early in the first half of the next year.

Commissioner Hoss commented that he appreciates Director Johnston leadership on the Mega Millions project and recognized the importance to the State of Washington and the lottery. Commissioner Hoss also congratulated the team on the vision of implementing a very complex project like EPM. Commissioner Hoss said he and the Commissioners all share a strong interest in ensuring that there is transparency in everything that the lottery does and how it operates, he is very excited about this new tool and making it available to everyone.

Commissioner Giniger asked how long Director Johnston will be the lead role for Mega Millions? Director Johnston said the agreement is to serve for one year, but he can be re-nominated as many times as the other directors want. Commissioner Giniger thanked Director Johnston and introduced Cassi Villegas as our next presenter.

Deputy Director's Update:

Deputy Director Cassi Villegas began with a few updates for the Commissioners. First, big news on One Washington -- we have been reporting to everyone that the goal launch date is July 1, 2025, but this is no longer the case. The new go live date is now anticipated between July 2026-January 2027. Right now, we are continuing to dedicate the resources necessary to complete the project on time. Deputy Villegas assured the Commission that we are up to date and on time with all the assignments, our action plan is where it should be, and the agency is on track. Commissioner Giniger asked if we anticipated more work during the next year and a half to two years? Deputy Villegas responded saying it isn't necessarily more work, as much as it's additional resources to prepare us, like training and sandbox openings for us to practice. Deputy Villegas mentioned we have requested to be a pilot agency, but the Office of Financial Management (OFM) has not indicated whether that is an option. Deputy Villegas will keep the Commission updated as more information is available. Commissioner Hoss followed up, confirming we have funding for some support for this project, thus far, or if we are looking at the possibility of getting additional support? Or do we maintain the FTEs that we have working on it? Deputy Villegas answered simply, yes, we currently have the FTEs needed, but as of right now the certainty about the future is unknown. Deputy Villegas confirmed we still have One Washington work and we're still meeting internally as a project team regularly.

Next, Deputy Villegas announced the project team has officially kicked off our virtual card prize payment project. This work is being done with Haploos, a contractor that provides those virtual cards, and IGT.

This project will work on implementing the virtual cards for prize payments; however, these are not digital claims, this is an additional option to pay prize winnings to players. Deputy Villegas continued by saying this is a pilot program and will be launched here at our headquarters in Olympia and our Spokane DOI office. If this pilot is successful, we'll look at expanding these virtual card payments to our lottery owned and operated locations. Additionally, these virtual cards will allow for rebates, meaning additional income to the lottery and at no cost to the players or winners. Deputy Villegas will keep the Commission posted on the progress and will continue to provide updates.

Commissioner Giniger asked what the timeline is for this project. Deputy Villegas said we're currently in the discovery phase and next will be in the design phase. We have a couple of dependencies that we're not quite sure what the timeline will be in one of those, the biggest one being the Mega Millions game change. Deputy Villegas said we may not be able to batch in the change for virtual card payments before or with the changes to Mega Millions, so it may be after April 2025. In the meantime, there is plenty of work to be done to get ready to hit the go live button as soon as we confirm there's limited risk involved.

Deputy Villegas continued, by sharing about the decision package submission, which includes spending authority for additional FTEs. Deputy Villegas said at this time there is no news but wants to keep it on the radar for everyone since we expect to hear back soon.

Lastly, Deputy Villegas provided a verbal update on sales. As of December 7th, our sales are down year over year. There are a few reasons for this, the main reason being in 2024, quarters one and two, we had \$4 billion in jackpots and those really assisted with sales at the time. This year, unfortunately, we have not had a large jackpot. Right now, our FY25 goal is \$987.8 million, and our actual to date is 398.2 million, meaning we're under \$21.4 million. Deputy Villegas shared a few things we're doing to support sales of scratch tickets, such as launching three new games, \$3 Loteria, \$5 Slingo, and a \$10 Crossword. These new price points are expected to support sales because they are extended play games. In addition, we have recently launched a draw promotion for Lotto with the Kraken and we are looking at other draw opportunities to support sales. Of course, we are also hoping for some big jackpots. Deputy Villegas asked for questions.

Commissioner Hoss asked about the big national jackpot that is currently unclaimed and if for any reason it expires before it is claimed, will the money be returned to individual lotteries? Is that something that could benefit us?

Director Johnston clarified; it is a billion-dollar jackpot that was won in New Jersey. Currently all states have transferred money to New Jersey, and they've been holding that and accumulating interest on that money. New Jersey is a little different than Washington State, here we have a six-month window to claim prizes, whereas in New Jersey players have one year to claim, which closes in March 2025. New Jersey has done a tremendous amount of press around this prize and getting information out about unclaimed prizes. Director Johnston also mentioned that New Jersey has full anonymity laws, so the winner can remain 100% anonymous.

Commissioner Giniger commented, it is understood that sales are down and sales are driven by the big jackpot games. It just points out again how dependent the lotteries have become on those big draw games and this increases pressure on staff to find other ways to bolster sales. Commissioner Giniger thanked everyone for their effort and continuing to come together and brainstorm positive ideas. Commissioner Giniger asked for any other comments or questions about Deputy Villegas' report, hearing none, introduced our next agenda topic, Legislative and Legal Services update with Kristi Weeks.

Legislative & Legal Services Update:

Kristi Weeks began her presentation by providing an update on legal statistics. Since our last meeting, we have processed nine new formal or informal requests for information or records, and we have received no new requests for administrative hearings and no new lawsuits.

During the last few meetings Ms. Weeks has been talking about planning to submit our application for responsible gambling verification from the National Association of State and Provincial Lotteries (NASPL) and the National Council on Problem Gambling (NCPG) for the third and final level, sustaining. This was submitted the day after our October meeting. As a norm, we subsequently receive questions from the evaluators, but what wasn't normal was the number of questions we received -- only two. Ms. Weeks shared the two questions asked by evaluators. First, "This Responsible Gambling plan is dated 2019, what has been done to evaluate and revise this plan since then?" Second, "The application states that, 'We realize that making an affirmative request for the RG plan is a potential barrier, therefore, we'll be posting it on our RG webpage.' Is it now available on the website? If so, can they share the link with the assessors?"

Ms. Weeks said the answer to the second question is very simple. In all the excitement about getting this submitted, we missed posting it on our website, but it is there now. Luckily, our webmaster gets things posted very quickly. If you would like to view our plan, you can find it on our website under the RG plan. Ms. Weeks said the first question was a little more difficult. We understood the process of creating our plan, implementing our plan, and then living our plan to be static, i.e., you create a plan and go through this process. Our initiatives and measures were evaluated and changed as we went, but the larger umbrella plan stayed the same. We explained this and Ms. Weeks doesn't believe this will hold up any results. Ms. Weeks said we should have a response to our submission by the February meeting.

In other responsible gambling news, Ms. Weeks shared that we are trying something new for the annual responsible gift giving campaign. Every December we work with the Evergreen Council on Problem Gambling to create images for our social media, print, and website, related to giving lottery tickets responsibly as gifts and not giving them to children. Ms. Weeks pointed out our image from last year's campaign hanging here in the room. Ms. Weeks went on to say this year, we are doing something a little different, we chose to enter into a licensing agreement with Evergreen Council on Problem Gambling and use the creatives developed by their marketing agency. These ads will feature their mascots, Casey the service dog and Skye the therapy horse. This is part of our evolving partnership with Evergreen Council on Problem Gambling and we're very excited about this campaign. Ms. Weeks also shared that if you go on to the Evergreen Council for Problem Gambling's website, you can symbolically adopt a service animal, a dog or horse, and they will send you a plush stuffy of either Casey or Skye.

Ms. Weeks moved on to her final topic today, the upcoming legislative session. As of Wednesday, Ms. Weeks shared, there were 55 pre filed bills, nothing that is related to the lottery or gambling generally, although there are a few topics carried over from the last biennium. Ms. Weeks reminded the Commission that it is a new biennium, so everything starts new, and shared that she and Director Johnston have started hill visits to meet with legislators to introduce us to them and help educate them about the lottery. Ms. Weeks shared that so far, they are going well and complimented the graphics department, who put together beautiful brochures that show where the money goes, both statewide and in individual legislative districts. Ms. Weeks said it has been a great tool to connect with legislators because it shows them not only what the lottery does statewide, but how it impacts the people in their district. For example, sales from their district, how many wins were paid out, and how much was paid to retailers as commission. It helps personalize the impact. Ms. Weeks asked for any questions or comments.

Commissioner Giniger thanked Ms. Weeks for preparing and submitting the submission for sustaining level verification and asked if anyone had any questions. Ms. Weeks said it was a team effort that has been happening for the last five years, and we hope to be successful. Commissioner Giniger thanked the entire team for this effort.

Commissioner Giniger had another question, asking if Mido Lottery has restarted their case? Ms. Weeks said Mido Lottery did not appeal the dismissal of their suit, she has been checking and there has been no new action taken. Commissioner Hoss asked, if now that the organization of the legislature is pretty much done and subject matter chairs have been assigned, is there anything significant that would affect us? Ms. Weeks said that the reorganizational structure that they do every two years isn't necessarily done, but, said she understands they are dissolving the house Regulated Substances and Gaming committee and gambling issues will now be going to State Government and Tribal Relations in the House. Commissioner Hoss asked if once we have all the final information on the organizational structure, to please let the Commissioners know if there is anything they can do to help. Commissioner Hoss said the Commissioners do have relationships with some of the key folks, which could be of assistance. Ms. Weeks confirmed that she will call on the Commissioners as much as possible.

Commissioner Giniger asked how many people have taken advantage of the self-exclusion program? Ms. Weeks replied that there are two individuals enrolled. Commissioner Giniger followed up if we receive information from the casinos, as they also have a self-exclusion program. Ms. Weeks said the same bill that created our voluntary self-exclusion program also created one statewide for all the cardrooms that are regulated by the Gambling Commission. That bill recognized that state legislature cannot require tribes to take specific actions, recommended that individual tribal casinos group together with the state to create a single voluntary self-exclusion program for cardrooms and casinos because as it stood, most of the casinos had one. Ms. Weeks said she does not have the statistics about the success of the Gambling Commission's voluntary self-exclusion program for card rooms, or how many, if any, of the casinos joined, but will reach out the Gambling Commission to have that for next time. Commissioner Giniger thanked Ms. Weeks again and introduced Gaylene Gray as our next presenter.

Scratch Artwork

Gaylene Gray introduced the next topic, Scratch artwork, and shared several different pieces for the Commissioners review. Ms. Gray shared the upcoming Scratch games, including new price points for fan-favorite games, Loteria, Slingo, and Crossword. Ms. Gray also previewed a few licensed brands, including Jaws and Jurassic Park tickets, saying we're hoping to see at least one in the future. Ms. Gray is excited to see how our players respond to all these games in 2025. Commissioner Giniger thanked Ms. Gray for her work.

Commission Business/Agenda Items:

Commissioner Giniger next asked if any of the commissioners have any topics to discuss now or to discuss during the next meeting. Commissioner Sullivan did not. Commissioner Hoss asked if we would be able to have a discussion about our collaborative relationship with the Student Achievement Council at the next meeting. Director Johnston said we're trying to set this up, hoping for the February 2025 commission meeting. Commissioner Giniger asked for any other topics, hearing none, moved to public comment.

Public Comment:

Commissioner Giniger asked if anyone online or in the studio is interested in speaking today. Hearing no one, Commissioner Giniger closed the public comment period.

Adjournment:

Commissioner Giniger wished everyone happy holidays and thanked everyone for their time and participation. Commissioner Giniger adjourned the meeting at 9:41am.

The, December 12, 2024, Lottery Commission Meeting Minutes were approved this 20 day of February, 2025.

Respectfully submitted,

Judith Giniger
Judith Giniger (Feb 20, 2025 17:34 PST)

Judy Giniger, Commission Chair

Rita Hawkins
Rita Hawkins (Feb 21, 2025 08:13 PST)

Rita Hawkins, Executive Assistant