

**New Hampshire Lottery Commission**  
**14 Integra Drive, Concord NH**  
**Minutes of Commission Meeting**  
**February 18, 2021 · 2:00 p.m.**

**Commissioners:**

Debra Douglas, Chairman  
Paul Holloway, Commissioner  
H. Andy Crews, Commissioner

**Lottery staff in attendance:**

Charles McIntyre	Kelley-Jaye Cleland	Maura McCann	Kathleen Fisher
Katie Brown	Jim Duris	Danny Maloney	Joanne Dionne-Lord
John Conforti	Valerie King	Carmela Nolin	

**Others in attendance:**

\*Guests attended by teleconference, and by the nature of that platform, not all participants are identifiable.

Chairman Douglas called the meeting to order at 2:02 p.m., which was held by teleconference.

**1. ACCEPTANCE AND SIGNING OF PREVIOUS MINUTES**

Chairman Douglas requested a motion to accept the minutes from the January 21, 2021 meeting. Commissioner Holloway so moved and was seconded by Commissioner Crews; all in favor, minutes were accepted unanimously.

**2. FINANCIAL REPORTS**

- a.** Chief Financial Officer Jim Duris reported that sales for January increased \$24.0 million compared to the same period last year, especially in instant, e-Instant, Keno, and Fast Play. The Mega Millions and Powerball jackpots helped those sales to rebound, increasing our year to date sales \$56.5 million over last year. Compared to last year instant ticket sales grew over \$27.0 million, e-Instants are up \$6.6 million, and Mega Millions increased by \$7.4 million for the same period.
- b.** Mobile sports betting had a higher handle in January, but lower revenue. For the month, mobile revenue was \$1.4 million, totaling \$8.6 million fiscal year to date; handle for January was \$49.4 million. Revenue includes an allowance for promotional expense, which is accrued on a monthly basis. The retail sports betting revenue increased by \$10.4 million and net income between the two locations was \$453 thousand for the month.
- c.** Racing and charitable gaming revenues were lower by \$33.0 thousand compared to the same period last year. Year to date, Games of Chance is up \$503.0 thousand, and Bingo and Lucky 7 are down by \$55.0 thousand.
- d.** The transfer to Education for January was \$19.6 million for the month, which is above plan by \$10.1 million, and has put us \$19.5 million ahead of plan year to date. The total transfers to Education this fiscal year so far have reached \$83.5 million.
- e.** Our accounts receivable are higher than normal as we are waiting for MUSL to reimburse us for multiple Lucky for Life and Powerball winners. Our cost of sales decreased for the month as the

sales of Powerball and Mega Millions increased and they have greater margins. Mr. Duris reached out to Treasury for an update on our expected payment, but has not heard back from them.

- f.** Expenses are in line with expectations, with salaries coming in lower for the month due to an adjustment in the accrual. Maintenance in January was higher than normal due to snow removal costs in clearing the headquarters' roof. The media expenses have come in from earlier in the year, delayed slightly due to a lag in billing from third party advertising channels.
- g.** Chairman Douglas inquired why Powerball sales were lower than Mega Millions; Director McIntyre explained the Mega Millions jackpot was higher, driving more activity. Mega Millions purchases on iLottery were higher comparatively, and brick and mortar sales leaned more heavily for Powerball. Commissioner Crews requested an update on Fast Play: Chief Product and Program Officer Kelley-Jaye Cleland reported that sales have grown 400% over the last five years. Adding the game to Keno MPs made it more visible to players, and they enjoy playing it between Keno draws.

### **3. SPORTS BETTING**

- a.** Director of Sports Betting Danny Maloney presented the analysis of January's sports betting activity. Topping the list were NFL, NBA, and college basketball, and table tennis is still seeing measurable action. Our hold is steady at 7.02% for the month, which is average and good. Fiscal year to date hold is at 7.93% and calendar year to date is 7.81%.
- b.** NFL events were the top five favorites for the month, and included playoff games. We're happy with player engagement and are seeing that our customers are excited. Eighty-nine percent of our active players for the month were placed by New Hampshire residents, which points to the success of the platform. Commissioner Crews asked about geolocation issues as he was contacted by a player who had problems in Portsmouth. Director McIntyre noted that the state border with Maine is the Piscataqua River, and we had addressed the conservative geolocation distance issue last year, but we will gladly look into any issue players may experience.

### **4. SALES AND PRODUCT DEVELOPMENT**

- a.** Chief Product and Program Officer Kelley-Jaye Cleland greeted the Commission and noted that the January sales results speak for themselves. The jackpot runs helped all areas of the business, lifting scratch and e-Instant sales. This also brought new players to iLottery, attracting more first time depositors in January alone than in all of FY2020. Fast Play is up and progressives are doing well. Keno broke \$1 million in sales last week, and we are on pace for sales exceeding \$42 million for the fiscal year.
- b.** Product enhancements for next fiscal year are in planning stages, and Ms. Cleland will keep the Commission informed of progress in the coming months.

### **5. MARKETING**

- a.** Marketing Director Maura McCann referred to the Advertising, Marketing, Public Relations report and highlighted the current February and upcoming March product support. The "Easter eggs" will be back in March for St. Patrick's Day. We promoted the Super Bowl with Montagne Communications and DraftKings, and following the game, our opinion on the gain made by players for that event.

- b. March 12 is the Lottery's fifty-seventh birthday, which will be a great opportunity for promotions and celebration. Lottery acquisition over the jackpot run gave us a huge amount of demographic and player data. We will launch targeted campaigns using what we've learned to attract female and male players in individual acquisition efforts, followed by geographical acquisitions later. To support the sales of specific instant tickets, Marketing will ramp up to promote those games.

## **6. TRI-STATE**

- a. Ms. McCann moved on to the Tri-State report, noting first that our CFO, Jim Duris, has released a request for proposals (RFP) for banking services.
- b. The Product Development committee continues to promote The Big Spin, and has identified the final Big Spin event, aimed for the Tobey Keith concert on September 4 at the Bank of New Hampshire Pavilion. It's tentative based on pandemic safety, and we also have the flexibility to change events if another artist signs on that is more appropriate for our demographics.
- c. Our games vendors have suggested some changes to improve Megabucks and its sales. The committee will seek direct input from regular players, as well as non-players. Commissioner Crews inquired how we would conduct outreach. Ms. McCann explained that each state will use their databases of loyalty account and mailing lists to contact players, and the method will evolve with all states' input and with the assistance of the Scientific Games account manager in Maine.
- d. Vendors will make presentations next week for potential new Tri-State games to follow The Big Spin; this includes new concepts for Fast Play.
- e. Commissioner Crews repeated an earlier request for monthly comparisons in web use and brand recall (pertaining to NH Lottery).

## **7. COMPLIANCE**

Chief Compliance Officer John Conforti provided a summary of the Wire Act case decision (New Hampshire Lottery Commission v. William Barr/Jeffrey Rosen), the First Circuit Court affirmed the First District Court's decision that the Wire Act applies only to sports betting, and not other uses of the internet by NH Lottery, as long as we are in compliance with other regulations. This is a very important case not only to us, but other lotteries and vendors. We continue to work with the AG's office as US DoJ has the right for a rehearing with the First Circuit or even the Supreme Court. Given several factors, indications point to the US DoJ not pursuing this further.

## **8. OTHER**

- a. Director McIntyre addressed the Commission and reported that the Lottery and Intralot have reached agreement on the retailer commission for Sports 603 which is consistent with our contract, and are moving ahead to launch the product.
- b. Chairman Douglas moved on to the motion for adoption of emergency regulations for advanced deposit wagering, text of which was recently sent to the Commission. Commissioner Crews has several questions and would like to speak with Director McIntyre for background; he moved to table the item until the next meeting. This was seconded by Commissioner Holloway, and passed unanimously.

- c. Director McIntyre introduced two new employees in the Accounting department, Kathleen Fisher, General Ledger department; and Joanne Lord, Claims department.

**9. NEXT MEETING**

The next meeting will be on March 18 at 1:30 p.m. which will be by teleconference. *Editor note: the meeting time was later changed to 12:30 due to a scheduling conflict.*

Commissioner Holloway sought a motion to adjourn, seconded by Commissioner Crews; motion passed and the meeting was adjourned at 2:55 p.m.

---

Debra M. Douglas, Chairman

---

Paul J. Holloway, Commissioner

---

H. Andy Crews, Commissioner

Respectfully submitted, Carmela Nolin