



Publisher
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July 14, 2003

Ms. Kim Kiplin
Texas Lottery Commission
P. O. Box
Austin, Texas 787

Via Facsimile & US Mail

RE: Multi State Gaming

Dear Ms. Kiplin:

The Texas Lottery's straightforward goal to increase revenues for the state of Texas are commendable. Because I believe the Texas Lottery wants to obtain all pertinent facts with regard to joining multi state gaming and will make decisions based on what is in the best interest of Texas as well as its residents, I am confident that you will want to consider the following information.

As you already know, I publish lottery information for a great many Texans. Knowing that Texas wanted to join forces with Powerball and/or Mega Millions, I set out to research these games for reporting purposes. I took Gary Grief's advise and contacted Chuck Strutt (Powerball) and Rebecca Paul (Mega Million) on June 13, 2003. At this time, I requested to receive their (1) "Official Game Rules" - all past and present rules - (2) draw sales and (3) the number of winners for each prize category for every draw since inception of their respective games.

Mr. Strutt provided all requested information by email on June 13, 2003.

On June 20, 2003, I received draw sales and the number of winners since inception for Big Game and Mega millions. It was explained that they would have to mail the game rules and would do so that same day if I would simply provide my address. I immediately replied providing my address within one hour. (*Though I still don't have the rules*)

On or about June 24th, I realized to complete a thorough and competent study of these two games, it would be necessary to obtain draw sales and the number of winners for each state. It was then that I re-contacted Mr. Strutt and Mr. Landroche (representing Ms. Paul). Each acknowledged having the information broken down by state but both explained they could not release the data unless each state gave them permission to release it. I fully understood the reasoning and respected their positions.

So, on June 26th, I submitted an Open Records request to a total of 33 states so I could obtain the above mentioned information plus their audited unclaimed prize figures. It is the response to this request that I feel should be of interest to Texas and its citizens.

Powerball (26 Members - Contacted only 23 states)

Twenty-one of twenty-three states either sent their information promptly or gave MUSL permission to release the figures. Additionally, all 21 states sent their unclaimed prizes figures to me. I paid NO MONEY to obtain the information.

West Virginia has not replied yet - I did confirm that they received my request.

Delaware denied my request stating that their open records laws apply only to citizens of Delaware. They did not imply nor did they state that they "may not" have the information. Since Texas is currently not a member state, I let this issue drop - especially since I can obtain the information from all but one other state so the differences in sales would have to be that of Delaware and West Virginia.

Mega Million (10 States - Contacted all 10)

Georgia, Ohio and Washington sent the data promptly at no charge.

Illinois, Michigan and New Jersey gave Mega Million permission to release the data to me. (*Although I haven't received the information from the Mega Million folks*)

Maryland has not responded yet - I did confirm that they did receive my request.

Massachusetts - For Massachusetts to respond to my request, they requested: 1) that I address my inquiry to "Massachusetts State Lottery Commission" - I addressed my inquiry to Mr. Paul McConville who is the Executive Assistant; (2) that there may be a charge and I must verify that I wish to proceed "despite the cost" (*there was no dollar amount mentioned*) and, (3) I must clarify who I am - an individual or a publication. I have not responded to them yet.

New York - In a letter received on July 10, they said, "*The Lottery is currently researching your request and you may expect a response within the next 30 days. At that time, the Lottery will advise you as to costs ... etc*"

Virginia - Citizens outside of the Commonwealth are not entitled to receive documents under the FOIA law. However, they did say, "*in the spirit of cooperativeness, we will, subject to the payment requirements detailed below [\$250], attempt to determine whether the information you have requested is available.*"

In an effort to maintain my records, I have attempted to obtain total draw sales for the last several weeks. I've had absolutely no problems obtaining draw sales from MUSL. However, Mega Million will not release draw sales by phone - they require written requests first. I was told it would take roughly 3 days to obtain draw sales. However, as of this writing, I still have not received draw sales for the last 5 Mega Millions drawings and written requests have been made. Additionally, I still have not received the Big Game and past Mega Million rules either. I did receive the "current" Mega Millions rules on July 3.

Joining multi state games for Texas is much like entering into a joint venture or partnership. The games are managed solely by states and are totally supported by the People. I feel strongly that the People have a right to obtain financial information involving tax payer money and the People certainly have a right to "official" game rules - past or present - if they want them.

It appears that 3, maybe 4, of the 10 Mega Million states either (1) do not maintain adequate records or, (2) are not well organized or, (3) do not want their sales information to be "public information" - as is clearly indicated in their writings. (*If you would like to see these writings, they will be posted on my web site in the very near future.*)

Because the People of Texas expect and demand open government, I seriously question becoming "partners" with others who do not appear to believe in open government or who may not maintain adequate records - no matter what the financial gain may or may not be for Texas. Texas may be sending a great deal of money, 31.690% of total draw sales, out of state - how can we be certain that should a Texan win, that New York, Massachusetts or Virginia will truly be up-front with regard to their total draw sales when they can't readily access the data. Nor can they or will they tell one by phone, after each draw, how many winners they had in just in their state. I simply can't comprehend this.

Will New York, Virginia or Massachusetts provide sales data to Texas winners, their lawyers or their financial advisers - I've learned Texas can't release draw sales for other states until they obtain permission first ... irregardless, a Mega Million winner should not go to "just" Texas for this very specific information - a winner "should" poll all states individually. Will the winner be able to obtain "roll sales figures" before the time expires regarding CVO or AP if its even available? Surely states wouldn't release sales information to one but not tell the next person who inquired, would they?

As "partners," there could be occasions where funds may need to be transferred to a given state to help pay their low tier winners. How can these states contribute if they don't know how many winners they had or what their

own sales were? How can Texans “trust” under these circumstances?

Other noteworthy comparisons include: Powerball places a cap of \$25 million on the jackpot prize after it reaches a record high. They take the funds allocated to the 5 + 1 prize and roll it down to the 5 + 0 prize enabling more players to win substantial prizes - especially substantial if the player invests the extra dollar for the “Power Play” feature. This rule is respectful - Powerball folks recognize that “enough is enough” while Mega Million folks are willing to let one or two players win hundreds of millions (working towards billion dollar prizes) without attempting to find ways to increasing prizes at the lower level.

The “Power Play” feature offered by Power Ball is unique - Texans would go for that. At least Texans would have a game to play where they could win \$100,000 to \$500,000 where the odds are one-in-2.9 million rather than what we have now. While the odds for winning the jackpot prize are astronomical for both games, again, Powerball offers the better odds of the two games. I realize Texas may be drawn to Mega Millions because our bordering states offer Powerball and Texas wants revenues from those states, but Powerball is clearly the better of the two games. Personally, I believe this is why Mega Millions hesitated on Texas joining both games - I think they know players will favor Powerball. Because of the aforementioned reasons, I am opposed to Texas becoming “partners” with the Mega Millions group.

With regard to today, July 14th, being the “deadline” for public comment - I feel that the Texas Lottery is once again taking advantage of the players by making such a deadline. I feel this way because Texas will make its own rules regarding (1) the number of years for annual pay (Mega Millions only); (2) whether or not the state will allow players 30 or 60 days to chose between CVO or AP or if they will even allow that option (Mega Millions only); (3) what percentage of sales the retailers will receive; (4) how much the retailer bonus will be for retailers who sell winning tickets; (5) the time frame allotted for players to claim prizes plus a few other rules. Since we have not been told what these and other pertinent rules are, how can we comment intelligently? The fact is, the TLC provided no facts to the public but ask for comment regarding joining “Multi State Gaming” anyway.

For the record, I am fully aware that the TLC is not even required to take comment on this matter - compliments of Governor Perry HB3459 and Representative Ron Wilson and all other legislators - their gift to the People of Texas - the right to NOT be heard.

Finally, if Texas joins both games as I expect the plan is, I do hope other Texas games will be discontinued or Texas will experience a burn out rather quickly and the muchly needed revenues will go by the wayside. Texans are not as giving or dumb as some think we are. Not to mention the fact that our economy is not well either.

I sincerely hope that the Commissioners and Executive Director Regan Greer will take my personal experience and my comments seriously regarding joining Mega Millions. As a joint venture, it is imperative that all states treat the citizens from participating states with respect by releasing vital game information freely and graciously.

Sincerely,

Dawn Nettles
Publisher

cc: Governor Rick Perry
All Members of the Texas Legislature
Commissioners Tom Clowe, Jim Cox and Elizabeth Whitaker
Dallas Morning News
Ft. Worth Star Telegram
Houston Chronicle
Austin American Statesman
San Antonio Express News