

The Diary of Lotto Charlie

Lotto Charlie is an imaginary character who has a bank roll of \$1,000. July 28, 1994, 95, 96, 97, 98, 99, 00, 01 marks the end of his fiscal years. Charlie's losses were \$4263 for the first eight years and his winnings were \$1666.

Beginning Balance	\$1000.00
Losses	96.00
Winnings	00
Less Next 2 Weeks Bets	\$24.00
Balance	\$880.00

Tues. Sept. 25, 2001 - Charlie's numbers are: (1) 6-8-15-21-37; (2) 8-14-21-32-35; (3) 6-7-9-15-25. ♦

ABOUT THE LOTTO TEXAS RESERVE FUND ...

Since Sept. 1996, the TLC has overpaid 6 of 6 winners by at least \$59 million. I asked where that money came from and they said it came from the reserve fund. It was then that I reviewed the Lotto Texas reserve fund.

Before I go any further, let's make sure you understand what the "reserve fund" is. For every Lotto Texas ticket sold - that \$1 is suppose to be divided like this: 37.532 cents is divided by the 6 of 6 winners; 2.7885 cents is divided by the 5 of 6 winners; 6.8805 cents is divided by the 4 of 6 winners; 6.699 cents is set aside to pay the 3 of 6 winners; 5.0 cents goes to the retailers; 33.0 cents goes to the school foundation fund; 7.0 cents goes to the TLC; and finally, 1.1 cents is held in reserve - it's part of the "prize pool" - the 55% the TLC promises it returns to its players but doesn't ...

The TLC has always said that the money in the "reserve fund" was intended for use when there was not enough money in the prize pool to pay the 3 of 6 winners. And the rule confirms this: "The Lotto Texas prize reserve fund may be increased or decreased by any amounts allocated to the prize pool and not paid to the winners. The Lotto Texas prize reserve fund may be increased or decreased, for example, by rounding down, paying Lotto Texas prizes, and roll-over amounts from the fourth prize. The Lotto Texas prize reserve fund may be used only for the Lotto Texas game."

Notice the rule specifically states "roll-over amounts from the 4th prize." It does not say, "1st & 4th" prizes. But they are trying to add that now.

So ... let's see what should be in the reserve fund - since inception -

Prize Pool	Total Dollars Won	Total Dollars Allocated
5 of 6	*\$195,355,666	\$195,340,026
4 of 6	*\$677,851,805	\$677,798,279
3 of 6	\$398,675,355	\$434,291,228
	\$1,271,882,826	\$1,307,429,533

Total \$'s placed in reserve	\$78,004,911
Plus carry-overs (above)	\$35,546,707
Available in reserve	\$113,551,618

***Huge 5 of 6 & 4 of 6 overpayments occurred on Sept. 8 and Sept. 11th, 1999.**

Notice that the 3 of 6 prize pool had more than it needed to cover the payouts - looks like there was absolutely no need for a "reserve fund." The 6 of 6 funds are not involved - there is no money to "round down" - they carry forward until there's a 6 of 6 winner - then ALL funds belong to him.

Cash 5 has no "reserve fund." It's a "pari-mutuel" game. That means that all funds from each prize pool is divided by the winners. But because Lotto Texas had one guaranteed prize - the 3 of 6 prize - the TLC allowed itself 1.1% of total sales to be held in reserve. To run a "fair" game, the TLC should do away with the guaranteed prize and the reserve fund and simply divide the prize pools among the winners just like they do with Cash 5.

And ... they should give back the "unclaimed prize money" too.

The only way any of this will change is when YOU speak up. Just call your state representative and your state senator and tell them how you feel.

IMPORTANT

For Lotto Texas, there are 25,827,165 combinations in picking 6 out of 54 numbers. For Cash 5, there are 575,757 combinations in picking 5 out of 39 numbers. And for Texas Two Step, the odds in picking 4 out of 35 then 1 out of another 35 numbers is one in 1,832,600. So, please don't overspend trying to "beat the system" with any statistics. The Texas Lottery offers GAMES and we urge you play them as such. The information contained in **THE LOTTO REPORT** are real statistics, however, any number can come out of the "hoppers" at any time. Someone will win - it could be you and it could even be me. But please, don't spend all your money playing the games. The risks are too great.

While we try to keep all the information accurate and in perfect order, I have learned after 25 years in publishing that errors, typos and the such can happen. We assume no liabilities for any errors, losses or damages. Anyway, your purpose is to win a game, and games are not suppose to be harmful, either mentally or financially.

We urge you to use this report as a challenge for fun - Nothing more. Who knows, maybe you will win. Best of luck.

THE LOTTO REPORT

Published by
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Copyright Oct. 2001 Volume 10 Number 39

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\$1.50

SEPT 27 - OCT. 24, 2001

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THROUGH SEPTEMBER 23, 2001

the LOTTO REPORT

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