

**TESTIMONY TO THE OHIO STATE SENATE SELECT COMMITTEE ON GAMING  
BY SCOTT BOWEN, SENIOR VICE PRESIDENT OF NEOPOLLARD INTERACTIVE**

Good afternoon Chair and distinguished members of this Select Committee. My name is Scott Bowen, Senior Vice President for NeoPollard Interactive, the leading provider of technology and iLottery solutions in North America with 70% of U.S. iLottery revenues generated on our network and over \$2 billion in sales in FY2020. We are the Ohio Lottery's partner of choice following a competitive procurement in 2019. I'm here today to ask you to dispense with another Committee or if you find it necessary to have one, that you have that process conclude in a much shorter timeframe that is currently in the Bill, preferably by September.

The Ohio Lottery began this journey back in 2016 when it commissioned a study from Spectrum Gaming Group prepared for the Ohio Department of Administrative Services which concluded that an important driver of growth was implementing an online sales presence. It seems obvious to everyone in Consumer Packaged Goods whether you sell sweaters or shoes, taxi rides or concert tickets, pet food or printer ink, diapers or flowers, airline tickets or restaurant reservations – the jury has reached a verdict. Consumers want to transact business on their devices. iLottery sales help reach a younger player who might not carry cash. Players online are an average of 12 years younger than retail players and iLottery has proven to expand the player base. With sports betting and other online gaming sure to come, a crowded marketplace where lotteries compete for discretionary spending, modernizing distribution is essential to sustainable, incremental growth.

We are here today to ask that this Committee, designed to review the whole gaming landscape, and did a comprehensive job in just three months, not endorse a special Joint Committee just to examine the retail impacts of iLottery. We have provided the Committee Chair with all our source data and research from around the country. The conclusion is iLottery does not hurt retail sales but helps it. It is true in every jurisdiction in the country that has a digital sales channel. Retail sales are much stronger in those states.

There is no outstanding question to study in a separate Joint Committee. It is a settled fact and the evidence is overwhelming. We will, of course, answer any questions on this topic, but it doesn't take seven months or a new special Joint Committee. This Select Committee could sort it out in just two days. We will come armed with comparables and state audited financials from several jurisdictions – this is not

NeoPollard data, it comes directly from the state lotteries, where a few retailers and their representatives will rely on emotion and no data. Just because iLottery scares our retail partners is not a reason to believe Ohio is going to have different results than every other jurisdiction, and certainly not a reason to continue to delay this modernization.

This project has been studied, bid and negotiated. We were invited here to Ohio, even courted, first in an RFI, then an RFP. After many hours of hard work, a big investment by us and twice to be scheduled on the Controlling Board and pulled.

We continue to stand ready to deliver over \$100 million in the first year of operations.

On behalf of our shareholders, employees and our partners in the Ohio Lottery, do the right thing. Allow this to proceed to the Controlling Board for a vote without further delay.



## Source Data for Lottery Sales Performance:

### Michigan Lottery:

- [https://assets.ctfassets.net/qbohpn5cozn/3DSDuaW0yV622y3WAvzthM/dea2d5d53418b0d34fd41cc661af5e52/Lottery\\_CAFR\\_September\\_2020.pdf](https://assets.ctfassets.net/qbohpn5cozn/3DSDuaW0yV622y3WAvzthM/dea2d5d53418b0d34fd41cc661af5e52/Lottery_CAFR_September_2020.pdf)
- [https://www.michigan.gov/documents/msl/2019\\_CAFR\\_MSL\\_679209\\_7.pdf](https://www.michigan.gov/documents/msl/2019_CAFR_MSL_679209_7.pdf)
- [https://www.michigan.gov/documents/msl/2018\\_CAFR\\_Lottery\\_648456\\_7.pdf?fbclid=IwAR2CND90QNPkpi\\_sTyQiF9wnHKM3wbPnhR1wSQnKQitGpfmvSH\\_UltIGbgE](https://www.michigan.gov/documents/msl/2018_CAFR_Lottery_648456_7.pdf?fbclid=IwAR2CND90QNPkpi_sTyQiF9wnHKM3wbPnhR1wSQnKQitGpfmvSH_UltIGbgE)
- [https://www.michigan.gov/documents/msl/FINAL\\_CAFR\\_2017\\_611324\\_7.pdf](https://www.michigan.gov/documents/msl/FINAL_CAFR_2017_611324_7.pdf)
- [https://www.michigan.gov/documents/msl/2016\\_Annual\\_Report\\_547817\\_7.pdf](https://www.michigan.gov/documents/msl/2016_Annual_Report_547817_7.pdf)
- [https://www.michigan.gov/documents/msl/1\\_Michigan\\_Bureau\\_of\\_Lottery\\_September\\_2015\\_CAFR\\_511692\\_7.pdf](https://www.michigan.gov/documents/msl/1_Michigan_Bureau_of_Lottery_September_2015_CAFR_511692_7.pdf)

### New Hampshire Lottery:

- [https://www.nhlottery.com/Files/PDFs/Financial-Reports/2021/FY20\\_CAFR\\_web](https://www.nhlottery.com/Files/PDFs/Financial-Reports/2021/FY20_CAFR_web)
- [https://www.nhlottery.com/Files/PDFs/Financial-Reports/NH\\_Lottery\\_CAFR\\_2019.aspx](https://www.nhlottery.com/Files/PDFs/Financial-Reports/NH_Lottery_CAFR_2019.aspx)
- [https://www.nhlottery.com/Files/PDFs/Financial-Reports/2021/20\\_Yearly\\_Revenue\\_2020](https://www.nhlottery.com/Files/PDFs/Financial-Reports/2021/20_Yearly_Revenue_2020)

### Virginia Lottery:

- <https://www.valottery.com/-/media/pdf/Financial-Report-FY20.ashx>

### Pennsylvania Lottery:

- [https://www.palottery.state.pa.us/PaLotteryWebSite/media/PA-Lottery-Reports/Annual/PAL\\_Annual-Report\\_FY19-20.pdf](https://www.palottery.state.pa.us/PaLotteryWebSite/media/PA-Lottery-Reports/Annual/PAL_Annual-Report_FY19-20.pdf)
- [https://www.palottery.state.pa.us/PaLotteryWebSite/media/PA-Lottery-Reports/Annual/PAL\\_Annual-Report\\_FY18-19.pdf](https://www.palottery.state.pa.us/PaLotteryWebSite/media/PA-Lottery-Reports/Annual/PAL_Annual-Report_FY18-19.pdf)

### Georgia Lottery:

- <https://www.galottery.com/content/dam/portal/pdfs/georgia-benefits/glc-2020-financial-statements.pdf>
- <https://www.galottery.com/content/dam/portal/pdfs/about-us/20190106-galottery-2019-audit-report.pdf>



- <https://www.galottery.com/content/dam/portal/pdfs/about-us/2018-glc-financial-statements.pdf>
- <https://www.galottery.com/content/dam/portal/pdfs/about-us/glc-2017-financial-statements.pdf>
- <https://www.galottery.com/content/dam/portal/pdfs/about-us/georgia-lottery-corporation-2016-fs-final.pdf>
- <https://www.galottery.com/content/dam/portal/pdfs/about-us/2015-glc-financial-statements.pdf>

#### Kentucky Lottery:

- [https://www.kylottery.com/export/kylmod/galleries/documents/KYLottery\\_annual\\_report/KLC\\_Annual-Report\\_2020\\_v7\\_lr.pdf](https://www.kylottery.com/export/kylmod/galleries/documents/KYLottery_annual_report/KLC_Annual-Report_2020_v7_lr.pdf)
- <https://finance.ky.gov/services/statewideacct/Documents/CAFR/2019%20CAFR.pdf>
- [https://www.kylottery.com/export/kylmod/galleries/documents/KYLottery\\_annual\\_report/Ky-Lottery-Annual-Report\\_2018-002.pdf](https://www.kylottery.com/export/kylmod/galleries/documents/KYLottery_annual_report/Ky-Lottery-Annual-Report_2018-002.pdf)
- [https://www.kylottery.com/export/kylmod/galleries/documents/KYLottery\\_annual\\_report/KLC-Annual-Report-2017\\_Final\\_med.pdf](https://www.kylottery.com/export/kylmod/galleries/documents/KYLottery_annual_report/KLC-Annual-Report-2017_Final_med.pdf)

#### Spectrum Gaming Group Reports:

- <https://www.gaming.ny.gov/pdf/Spectrum%20New%20York%20Gaming%20Study%20Main%20Report,%20Final.pdf>
- <https://www.spectrumgaming.com/wp-content/uploads/2021/04/spectrum-gaming-study-report-for-ncel-3-16-20.pdf>
- <https://www.spectrumgaming.com/wp-content/uploads/2018/04/spectrumreportforohiodas.pdf>
- Massachusetts Lottery – PDF available