



STATE OF OKLAHOMA  
OKLAHOMA LOTTERY COMMISSION  
OFFICIAL MINUTES

March 22, 2022

The Oklahoma Lottery Commission, established pursuant to the provisions of the Oklahoma Education Lottery Act, sections 701 et seq. of Title 3A of the Oklahoma Statutes, held a board meeting on March 22, 2022 at 1:30 p.m. The board meeting was held at the Oklahoma Lottery Commission headquarters located at 123 Robert S. Kerr, Oklahoma City, Oklahoma. In compliance with the Open Meetings Act, 25 O.S. § 301 et seq., the agenda for this meeting was posted at all main entrances and posted on the Lottery website 24 hours in advance of the meeting.

**AGENDA ITEM 1: Call to Order**

Chairperson Nevyle Cable called the meeting to order at 1:30 p.m. The roll of Board members was called to establish quorum.

Board members present were:

Nevyle Cable	Tracy Yates
Scott Eisenhower	Jim Orbison
Guy Sims	

Board members not present were:

Ted Blodgett  
Christy Rawlings

Based on the result of the roll call, the Chair declared a quorum was present.

Others in attendance were:

Jay Finks, Executive Director  
Amanda Everett, Assistant AG  
Abby Morgan, OLC  
Mary Martha Ford, OLC  
Tiffany Mather, OLC  
Shelby Owen, OLC  
Isabelle Montgomery, OLC  
Jamie Evans, Scientific Games  
Codi Smith, Legis  
Austin Hunt, OKC Thunder

**AGENDA ITEM 2: Announcement of filing of the board meeting notice and posting of the agenda in accordance with the open meetings act**

Mr. Cable asked if proper public notice was made regarding the March 22, 2022 board meeting, in accordance with the Open Meetings Act. Mr. Finks verified that all necessary steps had been taken to remain in compliance with the Act.

### **AGENDA ITEM 3: Reading and approval of minutes**

Mr. Orbison moved that the reading of the minutes of the December 7, 2021 board meeting be waived and approved as published and distributed. Mr. Orbison seconded the motion. The Chair ordered a roll call with the following results:

Roll Call Vote:

Yes: Cable; Eisenhower; Orbison; Sims; Yates

No:

Abstain:

The result was 5 votes in the affirmative, none opposed, and none abstained. The motion passed.

### **AGENDA ITEM 4: Report of Audit and Finance Committee**

Mr. Yates reported on the Lottery's financial outlook through November and indicated that the Lottery was on pace to significantly exceed the FY22 fiscal appropriation of \$61,000,000.

Mr. Yates reported on three internal audits that were conducted since the last board meeting. BKD conducted audits on OLC operations surrounding Claims, Nightly Drawings and the Security department. BKD made three recommendations from the Claims audit all surrounding enhancing cash handling procedures. There was one recommendation from the Nightly Drawing audit recommending the Security team enhance their daily audit procedure to include some additional information. There were no findings in the Security department audit.

### **AGENDA ITEM 5: Executive Director report**

Jay Finks, Executive Director, covered a review of the current fiscal years' operations in categories of strengths, challenges and weaknesses.

**Strengths:**

- Corporate growth and expansion at OnCue, Walmart, Stripes, Quik Trip and Caseys
  - Major growth of self-service and instant game count
- Legislative efforts / discussions
  - HB4388 (Restructure of Lottery contributions: \$60m per year to current formula and all additional profit to a Teachers Excellence program surrounding teacher pay) continuing to advance through the legislative process
  - Lottery granted approval of utilizing Lobbying support to help with their legislative efforts (budget approved back in June of 2021)
  - Lottery conversations continuing to be very positive and subject projected to be a major topic (along with sports betting) in 2023 session
- Marketing
  - New Branding campaign launched; OLC seeing very high levels of participation in promotions and across all social media channels
- Organizational Changes
  - OLC continuing to build for future success; flowchart showed to outline streamlining efforts across key department

## Challenges:

- 7-Eleven
  - Efforts to sell Lottery at the counter continue to be delayed by the corporate office; OLC continues to push for “any” level of movement
- Quick Ticket underperformance
  - Dollar General not fully accepting Lottery product in stores combined with staffing issues has hampered sales; OLC initiating a 25-store “renewed focus” test with a jackpot sign to create stronger sales impact
  - Delayed implementation at CVS due to COVID
  - Delayed acceptance at Walmart
- iLottery delay
  - Due to 2022 being an election year; sports betting, online gaming tabled until 2023
- States vs Google Lawsuit
  - OLC asked to provide an extreme amount of information; AG office taking lead to limit the impact on OLC operations

## Weaknesses:

- Market Conditions
  - Inflation and gas prices having major impact on consumer spending

Mr. Finks, then discussed the sales and profit outlook for FY22...

## Sales & Profits Review:

- Current sales up 6% vs prior year
- Draw sales down -5% vs prior year; Powerball up due to addition of 3<sup>rd</sup> draw day per week but Mega Millions down due to significant lack of jackpots
- Instant sales up 10% vs prior year
- OLC anticipates exceeding sales and profits vs FY21 and exceeding the FY22 appropriation by over \$18 million

## **AGENDA ITEM 6: New business**

Mr. Finks stated that there was no new business. Mr. Cable took the opportunity to commend Mr. Finks and his staff for their excellent work and commitment to Oklahoma.

## **AGENDA ITEM 7: Adjournment**

Mr. Eisenhauer moved to adjourn. Mr. Orbison seconded the motion.

### Roll Call Vote:

Yes: Cable; Eisenhauer; Orbison; Sims; Yates

No:

Abstain:

The result was 5 votes in the affirmative, none opposed, and none abstained. The motion passed.