

Ask the Executive Director

A Question and Answer Forum for Retailers and Players of the Texas Lottery



1. Why are clerks in stores
allowed to accept the tickets
that are won from the
illegal 8-liner machines
as payment for Texas
Lottery tickets and
scratch-off tickets?

There has been such a controversy over the illegal machines, yet they are still operating and the tickets being used to purchase Texas Lottery tickets.

That's an excellent question. In fact, retailers may NOT accept vouchers or coupons unless issued by the Texas Lottery Commission for the purchase of Lottery tickets. The law was changed last year to specify that retailers could only accept U.S. currency, checks, debit cards (not credit cards), a coupon or voucher issued by the Lottery Commission, or a mail order subscription authorized by the Commission (not currently available).

You can see the complete text of that law (Government Ccde, §456.3052) by going to the following web page: www.capitol.state.cx.us/statutes/go/go046600.html#go055.466.3052

If you have information about a retailer who is accepting other coupons or vouchers not issued by the Texas Lottery Commission for Lettery tickets, I want to know about it. Please call our Customer Service Hotline toll-free at 1-800-37-LOTTO (56886) during normal business hours and ask to speak with someone in the Security Division. Our investigators will look into the situation to see if the retailer is in violation of state law.

2. I think it would be great if the Lottery would divide large jackpots between several winners instead of just one when a jackpot becomes very high. For instance, a \$60,000,000 jackpot divided to give six people a chance to win \$10,000,000 every now and then would be great! What do you think about it?

I know many people have the same idea, but I'm afraid it would have a negative impact on sales. The *Lotto Texas* game is "jackpot-driven." That means that sales increase as the jackpots grow. We saw that recently when our jackpot went to \$60 million on September 9. Sales continued to increase dramatically with each rollover as the jackpot climbed to that level. Any attempt to limit the amount of the jackpot would cause sales to drop.

For players who want a chance to win \$1 million with better odds of winning, we offer *Texas Million*. The odds of winning the top prize of \$1 million in that game are only 1 in about 3.9 million.

3. I would like to know if any of the lottery money is spent on education. If so, how much?

In 1997, the Legislature designated that all Lottery profits be directed to the Foundation School Fund which supports the public schools of Texas. Since September 1, 1997, that's exactly where the money has gone. Prior to September 1997, the money was deposited into the state's General Revenue Fund and over 60% of that fund went to public education. Through September 14, 2000, we've contributed over \$3 billion to the Foundation School Fund.

For information about how the fund is allocated to school districts, contact the Texas Education Agency at: Texas Education Agency, State Funding Division, 1701 North Congress, Austin, Texas 78701 or call them at (512) 463-9238. A scrolling message on our web site (www.txlottery.org) updates the amount of money deposited to the fund on a monthly basis.

Jolly Jackpots (Cont. from cover)

"Lotto Texas fever is spreading across Texas, generated by our higher than normal jackpots," Texas Lottery Commission Executive Director Linda Cloud stated. "It is exciting for our players and retailers and I am taking the rare step of bumping our advertised jackpot amount."

The excitement certainly didn't end there as Texas Lottery Headquarters in Austin began buzzing with local and statewide media on the morning of September 11th awaiting the arrival of (122149) Texas' newest multi-millionaires. The LOJO Partners of Richardson turned over the largest, single winning jackpot ticket ever sold for *Lotto Texas* and also claimed the third-highest jackpot in Texas history after matching all six numbers in the September 9th drawing.

The jackpot claimed by the LOJO Partners was the largest since a \$65 million jackpot (258027) back on October 21, 1998. That jackpot was shared when the Circle K #2673 in Kerrville sold a 6-of-6 ticket to ZARAGOZA, Ltd. and the Okay Food State #6 in Lufkin sold an identical ticket to the BBB Revocable Trust.

Lois Loden and John Osorio, representatives of the partnership, chose the Cash Value Option and (257811) received approximately \$34.1 million from the September 9 jackpot. After speaking with Lottery officials the couple decided to form LOJO Partners before claiming the prize.

The partnership bought \$15 worth of tickets at Albertson's #4125 in Richardson and while Loden personally chose the numbers (210612) for five combinations, she used the Lottery's Quick Pick feature for the rest.

"She normally does Quick Picks," store clerk Jeanne Curso said to *The* Associated Press. "But this time she did birthdays and

rexas State Documents

anniversaries. She had trouble coming up with the 1 200 last number."

The winning numbers drawn were 43-14-01-36-52-16 brary

"(Loden) looked at me and said, 'Hey, we did it.'" Curso said in *The Dallas Morning News.* (124C62) "I started screaming. I was really excited and I didn't even win any money."

Albertson's became just the third store to be eligible for the \$500,000 retailer bonus — and first since the Corner Mart in Texas City — after selling only the second winning jackpot ticket to a Richardson resident. Amber Matthews, who hails from Richardson, was one of 14 Lotto Texas claimants in the May 1, 1993 drawing for \$50 million.

The Corner Mart sold a 6-of-6 ticket in the \$55 million October 18, 1997 drawing. Using a Quick Pick, the Texas City Lucky Lottery Trust, claimed the prize and split the winnings between its 20 members. The initial \$500,000 retailer bonus went to Stop N Go #563 in Duncanville after the November 16, 1994 drawing yielded an estimated jackpot of \$53 million to Joe Jones, who hand picked the winning numbers.

NOTE: The Texas Lottery Commission pays a bona: to any retailer that sells a 6-of-6 jackpot-winning ticket, in accordance with Lottery procedures. The retailer bonus equals one percent (1%) of the estimated jackpot won by the customer, not to exceed \$500,000 per drawing.



RetailerBonuses

Lotto Texas came through for Ultramar Diamond Shamrock in Hitchcock as the Stop N Go #2101 store received a \$90,000 bonus check for selling a winning jackpot ticket in the August 5th drawing.

Accepting the check were (from left) Bernie Mobbs —
Area Manager, Ruben Elizondo — GTECH Sales
Representative, Danny Meacows — Zone Manager
and Nancy Kilgore — Store Manager.

Corporate Accounts Spotlight

he GTECH Corporate Accounts team
serves as liaison between the Texas Lottery
and its corporate retailers. Offering a wide
range of information and services, the team focuses
on merchandising opportunities and sales strategies
customized to achieve optimum sales for each
account.

Team members work in four regions of the state:

Deborah Burch, Houston area; Sue Stevens, DallasFort Worth Metroplex; Linda Saenz, San Antonio area;
George Sanchez, West Texas; and Corporate Accounts
Manager Camille Moore in Austin. By regionalizing
the representatives, each one can respond more
immediately to accounts.

Operating under the umbrella name of Corporate Accounts, multiple-location retailers are actually divided into three categories.

- 1) **Key Accounts** are those averaging \$100,000/week.
- 2) **Corporate Accounts** are those averaging \$50,000 to \$100,000/week.
- 3) **Chain Accounts** are those averaging \$35,000 to \$50,000/week.

Corporate Account Representatives are assigned to the top 100 revenue-generating corporations. These 100 accounts represent 34% of the Texas Lottery retailer base, 37% of year-to-date sales, and approximately 5,000 individual stores as of October 2000.

Each day, Account Representatives visit individual retail sites and varying levels of account management. They provide regular updates on product enhance-

ments, accounting data, (129989) promotional opportunities, new game introductions and software enhancements. As they work with accounts, the Representatives provide recommendations for educating and motivating clerks and players alike.

The corporate team works side-by-side with the District Sales Managers in each of the ten sales regions of the state to monitor accounts and influence the districts' focus. (122175) The Corporate Account Representatives and Manager serve as consultants to the District Managers in developing marketing and operational strategies for individual retail outlets as well as smaller chains and high-volume independents. This cooperative effort between the field sales force, corporate management

Food Fast, East Texas Retailers

Coming In Loud And Clear

marketing of The Games of Texas.

by Sue Stevens, Corp. Account Rep.

and the Texas Lottery provide

the framework for successful

Everyone in the convenience store business knows that volume is the key to success. Food Fast Holding, LTD has 69 locations, primarily in East Texas, that are taking advantage of volume in every sense of the word. Keeping their dispensers full and up front is standard for Food Fast, (117960) but Merchandising Manager Fred Yosef takes volume to another level. He has implemented pre-recorded audio advertising with a clear message.

"Food Fast is the place to make your *Lotto Texas* purchase," booms the loud speaker. And of course, a winning-ticket holder has the additional need for that famous tank of gasoline to get to Austin. (100700)

(L to R) Lottery LSRs Angela Holden and Larry Burton, with a lucky winning customer in the Cinco de Mayo CAD.

Where to get it? Food Fast! No matter how you look at it, or listen to it, Food Fast is taking full advantage of the marketing possibilities to turn up the volume on lottery sales in their stores.

Southwest Convenience, DBA 7-Eleven

Retailer Flies High At Events

by George Sanchez, Corp. Account Rep

Several Corporate Account retailers have partnered with the Texas Lottery over the years to sell tickets at special events around the state. Southwest

Convenience manages 151 7-Eleven locations in the El Paso, Lubbock and Wichita Falls

areas and they set up a portable con-

venience store at events like the
Fina Confederate Air Force Airsho
in Midland. With its trademark
"Big Gulp" fountain drinks, hot
dogs, candies, and Lottery tickets,
the portable store offers Airsho
patrons some of 7-Eleven's most popular items. (117338) Office personnel,

store supervisors, managers and clerks all donate their time to help out at the Airsho, which benefits the Confederate Air Force in the preservation of World War II aircraft.

Fiesta Mart, Houston

rce Airsho

Grocery Holds Crowd-Pleasing Party

by Deborah Burch, Corp. Account Rep.

Fiesta Mart is an aggressive promoter of Texas Lottery games at more than three dozen super market locations in the Houston area. The stores go all out for special occasions like grand openings and holidays. For the Cinco de Mayo celebration at Fiesta Mart #49 on Fulton Street, patrons enjoyed a Customer (123434) Appreciation Day complete with a mariachi band near the Texas Lottery trailer, a Lone Star Spin wheel and Second Chance drawing promotions.

The customers at this neighborhood store love the excitement of scratching tickets and Lottery Sales Representative Marcia Barcenas caught everyone's attention by customizing a special drawing in Spanish. (102660) LSRs Angela Holden and Larry Burton presented the lucky winter with a package of Lottery promotional items. Way to go! Ariba Fiesta!

Southwest Convenience, DBA Minyard's

Grocery Provides 'Spin-tastic' Experience

by Sue Stevens, Corp. Account Rep

Shoppers at Minyard's in North Richland Hills had the opportunity to win great prizes at a Lone Star Spin in the store. As with spins across the state, Store Manager Russell Flank (pictured below) encouraged players to buy \$5 or more in lottery tickets for a chance to spin the wheel. (216053) Not only were they ready to sell customers a ticket, store employees Jackie Dickson and Nancy Ward were ready to develop the pictures of any big winners at the store.

Minyard': Store Manager Russell Piunk



December 2000 RoundUp

Diary of a Foiled

(The following story was compiled with information from the Texas Lotrery Commission's Security Division.)

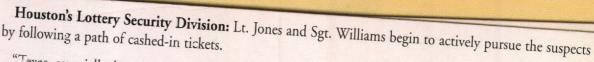


SUNDAY, SEPTEMBER 10

West Houston: Two suspects hold up a lottery retailer (The Break Stop on the Sam Houston Parkway) at gunpoint and make off with 1,100 unused Lottery Scratch-Off tickets.

A Break Stop clerk reports the crime to Lottery Security and Lieutenant Jeff Jones, (225718) along with Sergeant Rodney Williams, begins investigating the crime with the help of the clerk's interview and description of the suspects.

TUESDAY, SEPTEMBER 12



"Texas, especially, has put in certain security features in their tickets (126782) which allows us to know if a ticket is sold in Austin and cashed in Amarillo," TLC Security Official Lt. Horace Taylor said. "We know exactly when, where and at what time that specific ticket has been cashed."

MONDAY, SEPTEMBER 18

Humble: The trail turns north, according to the pattern of cashed tickets, and Jones and Williams notify the Humble Police Department of the (229421) expected whereabouts of the two suspects.

"I met the Humble Police at the scene and we apprehended two suspects," Jones said. "They still had 200-300 lottery tickets in their possession that they had not cashed yet."

MONDAY, SEPTEMBER 18



Harris County Jail: Two suspects, Jose Martinez and Derrick Soto, are booked by Harris County (211751) Sheriff's Department officers and charged with felony fraud.

Martinez and Soto are also wanted for numerous other crimes in Texas and in Wisconsin so "Through the decision of the correct agencies to inform them of the suspects' apprehension.

"Through the devices we have within the tickets, we're able to locate these people, put them in As most stories of this person by (Control of them," Taylor stated.

As most stories of this nature do, (421606) this one ends with a scene from inside a jail. Just one more example that proves crime doesn't pay, especially when dealing with Lottery tickets and Lottery Security.

December 2000 RoundUp

www.txlottery.org

Where On The

Q: Where do I go to find out how many people won at each prize level and the amount of their prize in Lotto Texas?

This is a new feature so many of you may not be familiar with it yet. From our home page (www.txlottery.org), click on Drawing Results and More to go to the On-line Games page. Click on the Lotto Texas game logo to go to the Lotto Texas page. From there, click on Winning Numbers and Prize Amounts. You'll see a chart listing each drawing, the winning numbers for that drawing, the number of winners at each prize level and the amount of their prize. It also shows the amount of the estimated jackpot and a designation to show if a jackpot winner chose Cash Value Option (CVO) or 25 annual payments (AP).

At this time, we only have this information for Lotto Texas, and only for drawings from July 19, 2000 to the present. (236760) We'll be adding the same information for Cash 5 and Texas Million soon.

If you have a question about where to find (232317) specific information on our web site, e-mail us at info@txlottery.org and we'll be happy to help you.

REMEMBER: If you find your retailer ID number hidden in this issue of RoundUp, call 1-800-37-LOTTO and press *2 when the recording starts to receive a prize package of Lottery promotional items! To claim your prize, you must call by December 31, 2000.

December 2000 RoundUp

STRIKES TWICE winning jackpot tickets since the game's inception in 1992. The dates of drawing and

estimated jackpot for that draw are listed.

The following is a listing of all retailers that have

sold, not one, but TWO Lotto Texas

Lottery Lightning

EZ Mart #458, College Station May 1, 1993 - \$50 million July 12, 1997 - \$20 million

Reuben's Bottle Shop, Austin May 19, 1993 - \$3 million May 19, 1993 - \$3 million

Stop N Go #2420, Austin February 5, 1994 - \$14 million November 15, 1997 - \$10 million

Stop N Go #1777, Houston June 16, 1993 - \$9 million September 25, 1993 - \$18 million The Richland Store, Richland June 21, 1995 - \$4 million June 21, 1995 - \$4 million

United Drive In, Mission March 25, 1995 - \$4 million March 25, 1995 - \$4 million

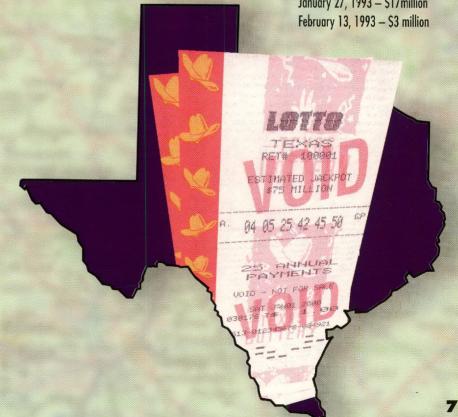
Beechnut Correr Food Store, Houston January 13, 1996 - \$8 million August 7, 1999 - \$10 million

Handy Place, Weatherford December 10, 1994 - \$40 million September 23 1995 - \$35 million

Cracker Barrel Grocery, Granite Shoals December 26, 1992 - \$5 million May 1, 1993 - \$50 million

10. Handy Stop Grocery, Yoakum January 30, 1993 - \$4 million February 21, 1996 - \$8 million

11. Engelmann Quick Stop, Caldwell January 27, 1993 - \$17million



Upcoming Game



#231 *Triple 3* (\$1) Top Prize: \$3,000

NOTICE: A Scratch Off game may continue to be sold even when all the top prizes have been claimed. For current information on paixes remaining in a Scratch Off game, call 1-800-37-LOTTO.

Closing

Game #175 **Touchdown**

Call Date: 12/1/00

Close Date: 1/30/01

End Validations: 7/29/01



Call Date: Sales reps have 60 days to bring in all remaining tickets for this game. A physical inventory must be conducted at each store to make sure all packs are picked up. Partial packs may not be returned prior to this date.

Close Date: Game has ended. No tickets may be distributed to, or sold by, retailers after this date. An auto settle will be run on this date to ensure that all packs are accounted for. Unclaimed prizes from partial packs must be redeemed at Lottery Claim Centers.

End Validations: The last date that players can redeem any prizes for this game.

Texas Lottery

Event Calendar

December 2000

- TOUCHDOWN call date
- 5Tues.Texas Convenience Store Trade Show, Arlington Convention Center, 10 a.m. – 4 p.m.
- **6**Wed.Game #231 TRIPLE **3** starts *
- 7Thur......Look for the
 Texas Lottery at the
 Amarillo Rattlers game**
- 8 ...Fri.Look for the
 Texas Lottery at the
 Corpus Christi
 Icerays game**
- Texas Lottery at the
 Fort Worth
 Brahmas game**
- 15 ...Fri.....Look for the Texas Lottery at the Austin Ice Bats game**
- (M-T) CHRISTMAS HOLIDAYS (all TLC offices closed)

- * Start dates of scratch-off games are subject to change.
- ** Mention of a specific event does not constitute an agreement of participation.