

TEXAS LOTTERY

RoundUp

News and Ideas for Texas Lottery Retailers

Give, Scratch, Be Merry!

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RoundUp

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Retailer Services Hotline:

1-800-375-6886

(Select Option 2, then Option 3 for
licensing or accounting questions.)

Available 7 a.m. - 5:30 p.m. Central Time
Monday - Friday

GTECH Hotline:

1-800-458-0884

(For equipment problems
or to order tickets.)

Available 4 a.m. - midnight,
7 days a week

Drawing Results:

512-344-5010

(For winning number results only.)

Website:

txlottery.org

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REMEMBER!

If you find your retailer ID number hidden in this issue of *RoundUp*, you can receive a prize package of Texas Lottery promotional items!

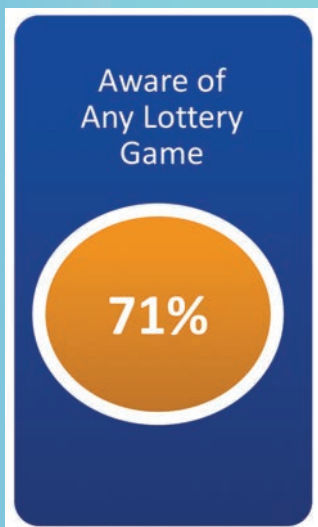
To claim your prize, call 1-800-37-LOTTO.
You must call by November 30, 2012.

Good News from Market Research

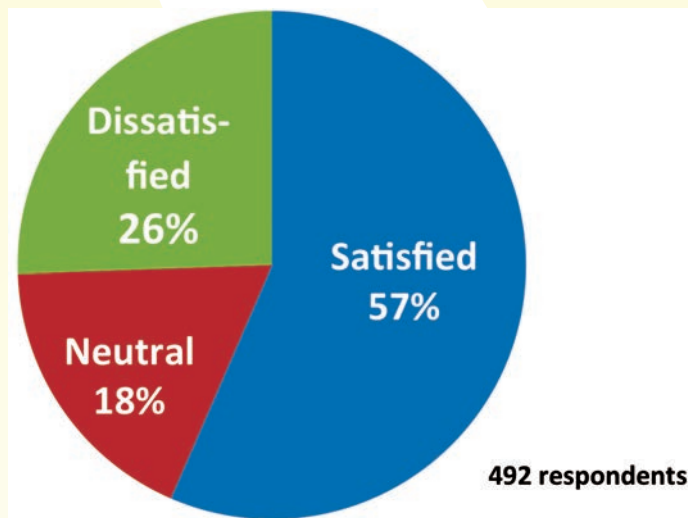


As you may know, the Texas Lottery is constantly tracking many aspects of lottery operations including sales, player opinions about the lottery and the effectiveness of lottery advertising. The latest tracking results for the 3rd quarter of 2012 (March, April, May) are good news for everyone involved with the lottery. [210335] Here are just a few findings from the survey of 800 adult Texans.

- High percentages of Texans are aware of the Texas Lottery and participate in the games.



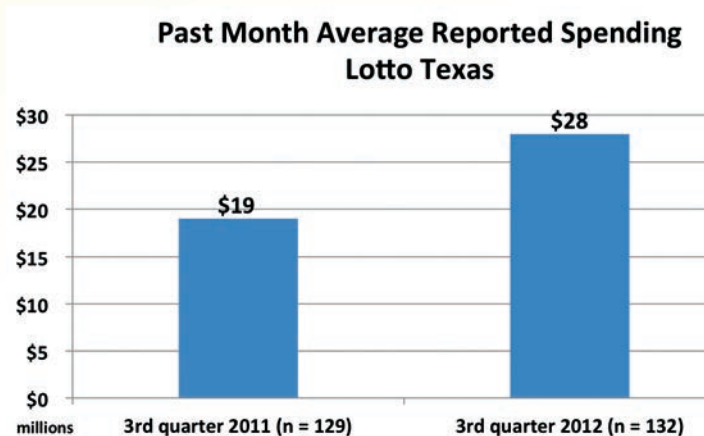
- Most players are satisfied with the games provided by the Texas Lottery.



- More people are participating in the large jackpot, multistate games compared to last year.

Game	Q3 2011	Q3 2012	Difference
Mega Millions	33%	37%	+4
Powerball	20%	28%	+8

- Year-over-year spending for the quarter is up from the previous year, e.g., \$9 million for *Lotto Texas*[®].



- More people recalled lottery advertising, both in English and Spanish, than during the previous quarter.

Recall of Advertising	Q2 2012 (n = 800)	Q3 2012 (n = 800)	Difference
Net Recall	59%	66%	+7
In English	55%	61%	+6
In Spanish	15%	18%	+3

Lottery officials attribute the increase in sales to effective placement of the ESMM by retailers.

All of these findings are good news and, as key partners with the Texas Lottery, our retailers should take pride in this success! [148454]

Behind the Scenes of a Draw Game

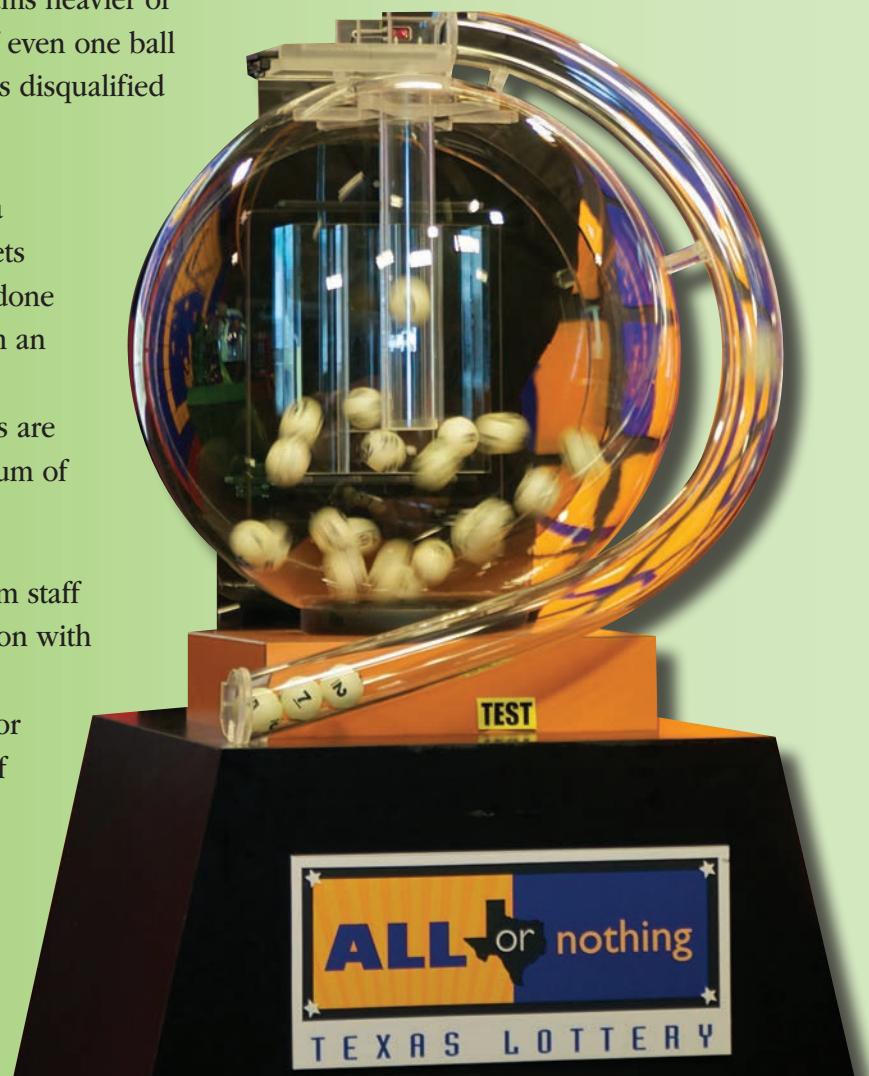
You may have watched Texas Lottery game drawings on TV or on our website. The drawings are quite brief and appear pretty simple and straightforward. But have you wondered what goes on behind the scenes? As it turns out, there are hundreds of steps that must be performed before each drawing to ensure the integrity, security and fairness of the drawings.

Our drawings are performed by a group of highly-trained Texas Lottery personnel known as the draw team. [134373] An independent auditor from a certified public accounting firm is present for all drawing activities and also inspects all drawing machines and ball sets before and after each drawing. In addition, the Texas Lottery Security Department is responsible for attending and overseeing the drawing activities.

There are multiple drawing machines and numerous ball sets for each game at lottery headquarters as well as off-site at the business resumption location. The draw team is responsible for performing routine maintenance on the drawing machines and ball sets on a weekly basis. All ball sets are regularly weighed using a calibrated scale and inspected using a microscope and a roundness ring. [512943] When ball sets are weighed, each ball must meet very strict weight requirements. For example, ping pong style balls may not be more than 95 milligrams heavier or lighter than the average weight of the set. If even one ball is too heavy or too light, the entire ball set is disqualified and may not be used for a drawing.

On a daily basis, draw team staff performs a selection process to determine which ball sets will be used for each game. [156236] This is done by randomly selecting a numbered ball from an “air-driven” selection machine. Before each drawing, the drawing machines and ball sets are thoroughly inspected and undergo a minimum of four pre-test drawings per game.

Throughout the drawings process, draw team staff must maintain an open line of communication with GTECH operators at the Austin Data Center. Draw team personnel are also responsible for capturing and saving electronic snapshots of the wagering system for each draw game being conducted. In preparation for a drawing, the team performs a minimum of 600 steps for each live broadcast. Many more steps, which take at least four hours to complete, are required to prepare for a night drawing.



After the drawing, three different individuals—the independent auditor, the drawings specialist and the drawings coordinator—enter, verify and confirm in the gaming system, the official numbers drawn. All three of the participants' entries must match before the official numbers are accepted in the system.

At the end of each drawing, the draw team and the independent auditor ensure the ball sets used for each game are returned to the designated ball set case. The cases are sealed by the auditor and returned to the auditor's safe in a secured vault in the drawings studio. [522286] The auditors then lock and seal the safe and draw team personnel lock and seal the secured vault.

Draw team personnel must also ensure that the data from the drawings are electronically transmitted to other Texas Lottery divisions and to the contracted independent statistician during and after each drawing.

The Texas Lottery participates in *Mega Millions* and *Powerball*® multi-state drawings. On Tuesday and Friday nights there are two teams working simultaneously in the drawing studio, one team for the Texas draw games and another team for *Mega Millions*. [125818] On Wednesday and Saturday nights a drawings coordinator works the *Powerball* multistate drawings along with an independent auditor and the Information Resources Computer Room operator. The steps performed for the multistate draw games are almost identical to the Texas draw games with the addition of data that must be entered in the Multi State Lottery Draw Reporting System (MUSL DRS).

Finally, the drawings studio is monitored by a video audio recording system. Currently there are twelve (12) surveillance cameras monitoring the drawing studio, which includes all activity inside the studio, the visitors lobby, the studio hallway and the secured vault. The activity is recorded 24 hours a day, seven days a week. Draw team personnel are responsible for checking the monitoring system throughout each drawing and ensuring that the servers for this system are functioning properly.

As this process indicates, the Texas Lottery takes very seriously its responsibility to ensure that all game drawings are conducted fairly and securely. However, we couldn't do any of this without you, our retailers who sell the tickets. Thanks for making the *Games of Texas* a great success for our players and Texas education!



Retailer Spotlight

Country Store

This Little Country Store Has Big Sales!

Country Store is a quaint, family-owned store on the edge of **Odessa**. The store has been operating since 1974 and has been a lottery destination since Texas Lottery sales began in 1992. [203674] With 42 on-counter scratch-off dispensers and an additional 24 bins in a Gemini® vending machine, the Country Store is one of the highest-selling Texas Lottery retailers in Odessa. [154857] Store owner Jason Richardson attributes their lottery success to their friendly staff, their eagerness to participate in lottery promotions and keeping their dispensers fully stocked.

When you visit Country Store you can expect to be greeted with a smile and a friendly “hello.” Mr. Richardson encourages his staff to maintain a positive attitude because it keeps customers coming back. [153819] All of his employees are knowledgeable about Texas Lottery products and will make recommendations to customers if they aren’t sure which scratch-offs to purchase. They enjoy talking strategy with the customers and hearing what games [106615] have had big winners recently. Mr. Richardson’s staff never turns down a customer and will always pay winners up to \$599. At the checkout counter you may frequently hear the clerk ask, “Would you like to play the lottery today?”

The 42 dispensers on top of the counter grab customers’ attention immediately when they enter the store. [173768] Mr. Richardson knows that an empty

dispenser isn’t going to make money, so he makes sure his staff replaces packs of tickets as soon as they run out. He also will double- and triple-face the highest selling games and core games. [174205] To draw in new customers, the outside roof of the Country Store features the Texas Lottery logo on four, 3’ x 4’ brightly-lit, metal signs facing the road.

Mr. Richardson regularly takes advantage of all promotions the lottery offers, such as Ask for the Sale, Spin & Win and promotional second-chance drawings, recognizing their effectiveness in increasing lottery sales. [595938] Country Store won three free packs of *Weekly Grand* in the spring 2012 Retailer Pack Settlement Promotion. They also have earned extra money by achieving their goal in several of the Retailer Cash Incentive Programs.

Country Store has been the selling retailer at promotional events such as Fiesta West Texas in Odessa. Participating in Texas Lottery selling events is a great way for a store to advertise and make extra commissions on the lottery sales at the event. [151586] Depending on the length of the event, the selling retailer may also qualify for free packs of scratch-off tickets.

Country Store owner Jason Richardson and his staff please customers by treating them to a friendly shopping experience and hopefully a lucky day!



L to R: Managers Jana Milam and Crystal Yarber.



L to R: Managers Jana Milam and Crystal Yarber, with Clerk Toni Bailey.



The Original
Since 1974
COUNTRY STORE



Retailer Cash Incentive Program Summary to Date



Since the first Retailer Cash Incentive Program was introduced three years ago, [145977] more than \$36 million has been paid to Texas Lottery retailers for achieving their sales goals and winning prizes in the follow-up drawings.

You may track your progress during an incentive program by referring to the incentive report on your lottery sales terminal or the Retailer Services Center reports available through our website at txlottery.org. You also may receive updates from your lottery sales representative or by calling Texas Lottery Retailer Services at **1-800-375-6886**. [258044] The Retailers page of our website also includes drawing results as they become available.

We are committed to supporting and rewarding the exceptional sales efforts of all our retailers and will continue to provide you with innovative games and promotions to help you sell the *Games of Texas*. [258064] The next program is scheduled to begin January 6, 2013. Be sure to ask your lottery sales representative how you can earn additional revenue by achieving your sales goal plus a chance to win \$50,000.

Retailer Cash Incentive Program Summary to Date					
	Dates	Retailers Paid Incentive	Incentive Payments	Retailers Paid Drawing	Drawing Payments
1	Sept 6 - Dec 5, 2009	1,845	\$495,490	307	\$500,000
2	Jan 17 - April 17, 2010	4,240	\$1,449,985	307	\$500,000
3	May 9 - Aug 7, 2010	4,134	\$2,585,800	307	\$500,000
4	Oct 10, 2010 - Jan 8, 2011	5,789	\$4,473,900	307	\$500,000
5	Feb 6 - May 7, 2011	11,886	\$13,864,300	307	\$500,000
6	Dec 4, 2011 - Feb 11, 2012	9,070	\$4,856,998.08	307	\$500,000
7	March 4 - May 12, 2012	9,568	\$4,856,995.98	307	\$500,000
8	June 3 - Aug 11, 2012	Results not available at time of printing.			
9	Aug 26 - Nov 24, 2012	Current program.			
Totals			\$32,583,469.06		\$3,500,000
Total Paid To Date					
\$36,083,469.06					

Frequently Asked Questions

Q. What steps can I take as a Texas Lottery Retailer to safeguard my tickets and have the best selling experience possible?

- A.**
- Maintain accurate inventory records including the game number, pack number and ticket number.
 - Do not pay a ticket prize unless the ticket has been validated properly through the terminal.
 - Ensure that you provide the Player Copy of validation receipt to the player along with payment for the prize amount reflected on the validation receipt.
 - Properly deface the ticket barcode after a prize has been paid and attach the Retailer Copy of the validation receipt.
 - Do not return tickets to players after you have paid a prize.
 - Report stolen tickets immediately to local law enforcement authorities and the GTECH hotline at 1-800-458-0884. The GTECH hotline is open 24 hours, 7 days a week.

Q. Is there a way to get inventory reports through the internet?

- A.** Yes, you may access the Retailer Services Center (RSC) at txlottery.org/rsc. Updates from the Texas Lottery accounting system are transferred to the RSC each morning. The RSC is available 24 hours a day, seven days a week at no charge. License holders may enroll in the service by using their Lottery Retailer ID and establishing a username and password. Once you have created your user ID, you may view your ticket inventory and accounting activity for the past seven weeks. For more information, you may contact Texas Lottery Retailer Services at **1-800-375-6886**.

Q. What do I tell a customer who can't find their favorite scratch-off game?

- A.** The Texas Lottery has a **Scratch-Off and Store Locator** feature online (txlottery.org), allowing

searches by city, zip code, smoking policy and scratch-off game. This tool makes it easy for players to find a specific scratch-off in their area. Search results include contact information and a map for each location. Players may call the Texas Lottery Retailer Services at **1-800-375-6886** for more information.

Q. How do I order scratch-off tickets?

- A.** You may order scratch-off tickets through your Lottery Sales Representative (LSR) or by calling the GTECH Hotline at **1-800-458-0884**. Your LSR will work with you and help promote lottery sales at your business by conducting inventory review and merchandising support. The Hotline staff also can assist you with ticket ordering or processing.

Q. What is the difference between a game "Pre-Call" and a "Call" Notice?

- A.** When it is determined that a game is to be closed, specific "Pre-Call" and "Call" dates are set. The "Pre-Call" Notice date begins 30 days before the game "Call" date. This provides public notice that games will be closing soon and allows players the opportunity to play for prizes prior to the "Call" date. Lottery Sales Representatives (LSRs) **will not** pick up games in Pre-Call status. The terminal inventory report will show a "P" for all games in Pre-Call status.

The "Call" Notice date begins a 45-day period during which all remaining tickets must be returned for games that are going to end (close). Retailers will receive terminal messages with the official "Call" date when all top prizes in a game have been claimed or the lottery ends a game for business reasons. Games in Called status will show a "C" on the terminal inventory report. Your LSR will pick up games in "Call" status.

The "End-of-Game" date is 45 days after the "Call" date and marks the end of the game. No tickets for ended (closed) games may be distributed to or sold by retailers after this date.

October/November 2012 Retailer Survey

1. Do you and your staff understand the new draw game, *All or Nothing*[™], that started September 9? Yes ___ No ___
2. What is your *main* source of information about *All or Nothing*? (Choose one.)
 Lottery Website ___ Customers ___
 Lottery Sales Rep ___ TV & Radio ___
3. Which is the *most* effective way for your customers to learn about this new lottery game? (Choose one.)
 Store Employees ___ Brochure ___ Playslip ___
 Lottery Website ___ Lottery Sales Rep ___ TV & Radio ___
 In-store POS ___ Social Media ___
4. Which of the four draw times do you think have the *most* impact on lottery sales in your store? (Choose one.)
 10:00 a.m. ___ 12:27 p.m. ___ 6:00 p.m. ___ 10:12 p.m. ___



Your Retailer Number _____

Thank you for your time. A retailer will be selected from a random drawing of all completed surveys from this issue of *RoundUp* to receive a Texas Lottery prize package of promotional items!

Please send survey to: David Wilkinson, Research Coordinator
Texas Lottery Commission • P.O. Box 16630 • Austin, Texas 78761-6630 • FAX: 512-344-5254

You can connect with the Texas Lottery in more ways than ever before now that we have recently launched our social media presence. [507381] You can find links to even more Texas Lottery information on our home page at txlottery.org.

View pictures on our Facebook page, get drawing results through Twitter or watch the latest Texas Lottery commercials on YouTube. Do you have a great idea that could make our social media pages inviting and useful? [494405] Contact our development team at socialmedia@lottery.state.tx.us.

Texas Lottery Gets Social



DRAWINGS 4 TIMES A DAY!

All or Nothing brings a brand-new draw game concept to Texas that your customers are sure to enjoy. It is also the first Texas Lottery draw game to have four drawings per day! The draw times are as follows:

10:00 A.M. CT MORNING **NEW DRAW TIME!**

12:27 P.M. CT DAY

6:00 P.M. CT EVENING **NEW DRAW TIME!**

10:12 P.M. CT NIGHT

These new Morning and Evening draw times are sure to bring additional excitement and increased traffic into your retail location, boosting lottery sales and creating opportunities for other in-store purchases. Your players can visit txlottery.org to find *All or Nothing* draw results or sign up for email and text alerts and have the results sent to their email and/or cell phone.

Retailer Bonuses



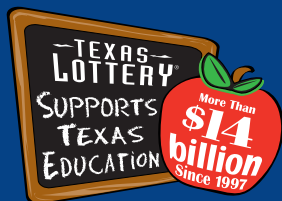
Game	Retailer	Location	Bonus
Set For Life #1349	7-Eleven 1602-34126	Garland	\$10,000
\$200 Million Cash Spectacular #1433	Discount Cigarette	Dickinson	\$10,000
Texas Lottery® Black IV #1401	Banquette Food Mart	Banquete	\$10,000
\$200 Million Cash Spectacular #1433	Lucky's Food Mart, Inc	San Antonio	\$10,000
Maximum Millions #1142	Family Grocery	Pflugerville	\$10,000
VIP Club #1448	Energy Exxon	Odessa	\$10,000
VIP Club #1448	Convenience Plus	Houston	\$10,000
\$500 Million Frenzy #1354	Mercury Drive-In Grocery	Jacinto City	\$10,000
\$200 Million Cash Spectacular #1433	Stripes #218	Odessa	\$10,000



Draw Date	Retailer	Location	Bonus
5/17/12	Uncle's 170203	Fort Stockton	\$2,000
5/21/12	Uvalde 99 Cent Store and Up	Houston	\$2,000
5/28/12	Quik Sak	White Settlement	\$2,250
6/7/12	RaceTrac #077	Carrollton	\$3,500
6/11/12	Thousand Oaks Food Mart	San Antonio	\$2,000
6/14/12	7-Eleven Conv Store #33494	Dallas	\$2,000
7/9/12	Pico #3	Del Rio	\$10,000
7/16/12	Corsicana Mini Mart #2	Corsicana	\$2,250
7/23/12	Scotties Forney	Forney	\$2,250



Draw Date	Retailer	Location	Bonus
5/16/12	7-Eleven Conv Store #24593	Arlington	\$40,000



PLAY RESPONSIBLY.

Visit us online at:
txlottery.org



Fort Worth Retailer Receives Big Bonus Check

Crossroad Shell in Fort Worth received a \$280,000 bonus check for selling a jackpot ticket worth \$28 million in the May 12, 2012, *Lotto Texas* drawing. Congratulations!

L to R: Texas Lottery Executive Director Gary Grief with Jewel Chowdhury.