

Scientific Games Testimony in Support of House Bill 6280

Before the Committee on Public Safety and Security

February 22, 2011

Good morning Chairpersons Dargan and Hartley, Ranking Members Giegler and Guglielmo and other distinguished members of the Public Safety Committee. My name is Steve Saferin and I am President of Scientific Games, Properties Group and Chief Creative Officer. I was also the founder of MDI Entertainment which was, until it was acquired by Scientific Games headquartered right here in Hartford on Anne Street. In fact my office window overlooked the outdoor patio of the Russian Lady. I am pleased to submit written testimony today in support of HB 6280: AAC Interactive On-Line Lottery Games.

The Properties Group's main business is the licensing of well-known brands for use on scratch tickets. We have over 120 different brands under license including Major League Baseball, Wheel of Fortune, Harley Davidson and Monopoly. MDI, and subsequently Scientific Games, has been leading the lottery industry in non-gaming uses of the Internet.

In January of 2001 we created the first second chance website that afforded players the opportunity to enter second chance drawings over the Internet rather than thru the mail thus saving the player the cost of a stamp and envelope and making the process more convenient.

Lotteries and lottery players welcomed this convenience and nearly every lottery in the United States now uses Internet second chance drawings either exclusively or in conjunction with mail-ins. We just completed our 300th such website - many times more than our nearest competitor.

About five years ago we created our first play-for-fun second chance game in conjunction with a second chance website for the New York Lottery's Monopoly game. Since that time, 20 lotteries have deployed these second chance play-for-fun games to add value to their licensed instant tickets and we anticipate as many as 10 more in the next 12 months. Because our portfolio of licenses has significant brand recognition they prove to be a natural bridge for lotteries to enable players to have an experience on the Internet. Nearly 40% of all eligible tickets are entered to play these games. These games are purely for entertainment purposes—the only result in these games is a pre-determined number of entries into a second chance drawing to win non-cash prizes or to assign players into pre-determined drawing categories.

Lottery players appreciate the opportunity to extend their lottery engagement to the Internet where motion and sound can make their experience much richer. They respond by purchasing more tickets so that they can continue to play these games. Almost all of the instant games that have a play-for-fun or a pre-determined second chance game associated with them end up being among the most popular instant games that a lottery offers.

Last year Scientific Games acquired a New England based Internet game development company called GameLogic. One of our primary motivations in the purchase was to acquire their catalogue of over 90 play-for-fun games. We are now using those games in conjunction with our Internet based lottery players club product—Properties Plus. Our experience is that lottery players appreciate the engagement that these play-for-fun games provide and that engagement helps make the lottery more relevant and successful in the digital age.

Scientific Games respectfully urges the Committee to issue a vote in favor of HB 6280 so that the Lottery may offer play-for-fun and pre-determined second chance games to their players via the Internet.