



**Testimony for the Public Safety and Security Committee
In Opposition of Senate Bill 360 AN ACT CONCERNING LOTTERY TICKETS
Tuesday, March 8, 2016 Hearing at 11:00 a.m. in Room 1C of the LOB**

Good morning Chairman Larson, Chairman Dargan and members of the Committee. My name is Patrick McHugh. I am the Senior Vice President, Global Lottery Systems for Scientific Games. We have been supplying the Connecticut Lottery Corporation (“CLC”) with lottery products, technology, and services related to the operation of the Lottery since 1988. I am submitting this testimony in opposition to Senate Bill 360, an act that would (1) require lottery tickets issued on and after October 1, 2016, not be subject to an expiration date, and (2) to establish a Lottery Tribunal to hear and determine whether a person who presents an expired winning Lotto lottery ticket issued prior to October 1, 2016, has a just claim.

Scientific Games opposes this Bill. As the lottery system provider to the CLC, we are proud to have the responsibility of networking nearly 3,000 licensed retailers to the Lottery’s central control system and validating the authenticity of all tickets being sold within the State. As required by our contract with the CLC, and consistent with lotteries throughout the United States, our system maintains five-years of archived sales data on billions of transactions for investigative purposes. Therefore, we do not have the ability verify the authenticity of expired tickets that were purchased prior to that time due to the lack of data necessary to ensure the validity of tickets that were not redeemed in a timely manner. This Bill could subject the Lottery to a myriad of fraudulent claims and ultimately harm the integrity of the Lottery going forward.

Additionally, preventing the expiration of future tickets and allowing unlimited time to claim prizes, will hamper the CLC’s ability to manage financial liabilities and will most certainly create fiscal issues for the State. The CLC would not only have to set aside funds to cover any past liability that could arise from previously unclaimed prizes, funds that would otherwise be used for good causes, they would also have to maintain such an ongoing reserve for all tickets sold from this point forward. The lottery system manages billions of gaming transactions and, fundamental to integrity of the games, are the security measures employed to verify and track winning tickets. It is not practical that those control measures could be secured in a proper manner for perpetuity.

Thank you for your time and attention and I respectfully urge the Committee to oppose Senate Bill 360.

Scientific Games Corporation (NASDAQ: SGMS) is a leading developer of technology-based products and services and associated content for worldwide gaming, lottery and interactive markets. The Company’s portfolio includes gaming machines, game content and systems; table games products and utilities; instant and draw-based lottery games; server-based lottery and gaming systems; sports betting technology; loyalty and rewards programs; and interactive content and services.

For more information, please contact:

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