

News From The Lotto Report

For Immediate Release:
September 28, 2000

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Lottery Players Protesting the Texas Lottery

Today, Dawn Nettles, Publisher of *The Lotto Report*, announced that Lottery players are coming together to Protest the Texas Lottery on Saturday, September 30, 2000. They plan to meet at 10 AM, at the Wyndham Anatole Hotel (I35 @ Market Center) in Dallas, the very location where the NASPL (National American Association of State Provincial Lotteries) is holding their yearly conference.

In the past year, Lottery players have tried in vain to communicate with the Texas Lottery but lottery officials have totally ignored them. So, players feel that protesting is the only way they will be heard.

Within the last week, approximately 300 players have come together and joined an organization called G.E.T. R.E.A.L. GET REAL stands for Governments Evade Truthfulness, Responsibility and Ethics in Advertising Lotteries. While the organization is new and just now accepting memberships, organizers plan to move forward aggressively if state officials do not acknowledge and act upon the issues at hand. Nettles said, "Players feel our issues are valid and they need addressing." Ms. Dawn Nettles and Professor Gerald Busald are the co-founders of GET REAL.

Nettles said, "I believe that the Lottery Commission has been a little less than honest with the citizens of Texas. In fact, I'd call some of their stunts downright underhanded." Since posting her findings on her web site, www.lottoreport.com, she says players have become increasingly angrier and distrustful of our state government.

"The addition of 4 balls is no longer the players main issue," Nettles says. "Players are MAD. The first priority of GET REAL is to expose the misrepresentations and to make the Commission accountable. Second, we need to find a way to make the TLC tell us the truth in print and then players need to find a way to trust them again."

Nettles continued, "I remember reading in the San Antonio Express News and the Dallas Morning News after Lawrence Littwin, the second Executive Lottery Director, was fired, where he was quoted as saying something to the effect that 'the people of Texas are being ripped off' and that the 'Commission does not stand up to the Legislature.' Since I've discovered all that I have, I think he would be an interesting person to speak with."

When asked what the specific protest issues were, Nettles said, "Basically, we want to see more winners, better prizes, and better odds for Lotto Texas. We want to know the truth about the odds on the scratch off tickets and we want the unclaimed prize money back in our pockets. And above all else, we want to be told the truth. No more lies, no more mistakes, and no more misrepresentations. One shouldn't have to go to the Governor of Texas to make the Commission admit to errors and to force

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the Commission to pull false advertising. Also, since the retailers issues have not been addressed either, we want the Commission to address their issues. Retailers need an increase in their commissions; they need an incentive to sell lottery products; they should be compensated for cashing winning tickets; they need an improved theft policy; and the TLC needs to cancel the \$25 unopened packet theft rule. And last but not least, Retailers want their pencils back. And I can assure you, there are sufficient funds to cover these issues. The state simply has to give up a little," Nettles concluded.

To protest these issues, Nettles announced proudly, "GET REAL has players coming from as far away as Houston, San Antonio, Austin, Midland, Oklahoma City, Kirby, and Ft. Worth on Saturday. We expect to have a peaceful protest and we know in our hearts that the players across Texas are supporting us."

Specific Issues:

The truth on scratch off ticket odds -

Lotteries consider players a "winner" if: He spends a dollar on a scratch off ticket and if he gets his dollar back, then they consider that he's won. *What did he win? The odds are distorted due to the fact that they consider getting your money back as "winning."* For instance, Game #218, Football Fever. *On the back of the ticket, it says the "Overall odds of winning" is one in 4.54. It should state, "the Probability of NOT LOSING is one in 4.54." The correct figures for the "probability of winning" should be one in 8.89 based on the printing of 20,158,000 tickets.*

Truth in Print:

The Commission said, "The Pay-outs will increase from the current 50% of sales to 55%." *Yet they gave 4.24% of the 5% increase to the 6 of 6 winner. The truth is that there was only a 0.76% increase even available for the majority of the players. And the poor 4 of 6 winners got a decrease. This statement was misleading. The reason the TLC gave so much to the 6 of 6 winner was so that the TLC could keep the starting jackpot out at \$4 million and so the jackpots would climb faster and entice more play.*

"Same Great Game, Now Even Better" *Better for who? It's harder to win and that's better?* Then to add injury to insult, the first sentence when you open this brochure says, "Playing the new Lotto Texas is fun, and winning millions is still just as easy." *This is a blatant LIE.*

"Match 3 numbers and win \$25. Match 4 numbers and win \$500. Match 5 numbers and win \$75,000." *Correct figure should have been \$57,575.*

"With Cash 5 Just Match 3, 4 or 5 of 39 numbers and you can win prizes ranging from \$25 to \$300,000." *Correct figures should have been \$17 to \$200,000 and the correct number in today's times would be \$80,000.*

"Over 60,000 Winners Each Week" *At the time this was running - Week ending: 7-25-97; 48,280 winners. Week ending: 7-18-97; 50,813 winners.*

"We expect the number of winners to increase from approx. 275,000 to over 600,000." *Should have been 160,143 to 282,800.*

Cover of Texas Million brochure says, "Making a million is easy if you know how to play the game." *"Easy?" Let's see. To date there's been 122 drawings - 90,687,476 total tickets sold - but there's only been 20*

one million dollar winners. That's E A S Y? What's to "know" on how to play the game.

Posting at the Texas Registry shows approx. 3000 "groups and organizations" for the adopted rule and 450 "groups and organizations" against the rule. *They don't have 3000 "groups and organizations" for the rule. Period. A complete detailed piece with proof of this is forthcoming.*

The Commission said, "Lower-tier prizes will climb, on average, from the current \$3-\$1,500 to \$5-\$2,500." *They lowered the 4 of 6 winners percentage from 18% to 12.51% of the prize pool - so, the only possible truth in this statement is if there were considerably fewer winners to split the pool. This statement mislead many people.*

The July 26th Lotto Texas drawing was an advertised \$40 million jackpot and it was won by a group out of San Antonio. According to press releases, the Commission paid the Sweet 16 Group \$20,545,440. Prior to July 19, 2000, the 6 of 6 winners got 64% of 50% of total sales OR they got 32% of total sales. However, after July 19, they got 68.24% of 55% of total sales OR they got 37.532% of total sales. (I'm giving you two ways to figure prize pools.) Look at the accumulation of funds that was carried forward for the 6 of 6 winner for the July 26th \$40 million drawing.

Date	Jackpot	Winning Tickets	Total Sales	6 of 6 Portion
7-1-00	\$4	0	\$4,132,024	\$1,322,247
7-5-00	\$6	0	\$3,923,839	\$1,255,628
7-8-00	\$9	0	\$5,041,336	\$1,613,227
7-12-00	\$12	0	\$5,454,008	\$1,745,282
7-15-00	\$16	0	\$6,503,436	\$2,081,099
7-19-00	\$21	0	\$7,114,614	\$2,670,256
7-22-00	\$30	0	\$8,886,969	\$3,335,457
7-26-00	\$40	1	\$12,102,843	<u>\$4,542,439</u>
Total Accumulated for the 6 of 6 winner				\$18,565,635
Amount Paid to the Group				<u>\$20,545,440</u>
Negative Balance				<\$1,979,805>

When it was determined there was a 6 of 6 winning ticket held that night, the Commission got on the phone and called for the best rates and the amount required for a \$40 million return over a 25 year period. This is the amount they owed the winner and/or it is the amount they would invest for the winner. As you can see, they did not have the required amount, so obviously, the TLC pulled monies from reserve to cover the differences because the jackpot fund was short. What does all this mean? Well, that depends on whether this was an error or was this an attempt to save face. Remember, the TLC claimed that "bigger jackpots" is what the players wanted before they'd play, so how could they possibly announce a jackpot increase from \$30 million to only \$37 million under these circumstances? The bottom line, this \$1.9 million rightfully belongs to the majority of the players - not the 6 of 6 player. Perhaps the reserve fund should be done away with and we should go strictly pari-mutuel on all payouts.

It was a Statistics class taught by San Antonio College mathematics Professor Gerald Busald that discovered that total sales fell over \$5 million short of projections which in turn left the jackpot fund over \$1.9 million short to cover the advertised \$40 million jackpot. The Commission is denying this shortfall to a radio station in San Antonio even as I write this story. Once again, the TLC is saying that the

students are wrong when clearly the students are not wrong.

What are we allowing this STATE agency to teach our children?

To begin the new 54 ball game on July 19, 2000, it was mandatory that all retailers have new playslips for the people to complete to play the game. The playslips were hand delivered by GTech reps to all retailers. But, the TLC didn't make it mandatory for the retailers to have new paper for their machines so they would be promoting the correct odds for Lotto Texas on the back of players Cash5, Pick3 and Texas Million tickets. This is deliberate false advertising that is still taking place today. What is it going to take to have this paper replaced so this misleading advertising can be halted? And why didn't the GTech reps just deliver the new paper when they delivered the new playslips?

The Unclaimed Prize Money Back In Players Pockets

For fiscal year 2000, the unclaimed prize fund is approx. \$15 million and it is being given to a teaching hospital in Galveston. This money should have come back to the players as it is 'prize' money. Who are they to give away our prize money? They take enough - no more.

More Winners, Better Odds, and Better Prizes:

Reduce the number of balls and this will immediately create more winners and better odds for players. Then, revise the distribution of the monies. For every dollar in Lotto Texas sales, that dollar is currently divided in this manner:

6 of 6 winners: \$.37532
5 of 6 winners: \$.027885
4 of 6 winners: \$.068805
3 of 6 winners: \$.06699
Reserve Fund: \$.011
Retailers: \$.05
State/Schools: \$.33
TLC: \$.07
This equals \$1.

Players do not feel this money is evenly or fairly distributed.

The Retailers Issues

The Retailers have asked for help for years to no avail. The Lottery was suppose to be something "good" for the state, the economy, and the People but players and retailers feel that 2 of the 3 groups are getting a raw deal. Therefore, the members of GET REAL agreed to incorporate the Retailers issues in with ours and are protesting for their rights too. We understand their issues and we feel as though the Commission should address them. Nettles asked, "Did you know that Retailers have to pay the TLC for all tickets that are stolen - including the winning tickets - but the TLC never pays out on those winning tickets? Is this fair to the Retailer?"

If there is any doubt with regard to the validity of the retailers issues, I urge you to stop in at a retail outlet and ask the owner if he agrees with these issues or I urge you to contact Mr. Rick Johnson, President of the Lottery Retailers Association, Austin, Texas for verification.

Should you have any questions, please call 972-686-0660.