Minutes of the Lottery Advisory Commission
October 7, 2025, Meeting
(DRAFT)

A meeting of the Lottery Advisory Commission (Commission) was held from 12:58 p.m. to 1:45 p.m. on October 7, 2025, at the North Dakota Lottery Office.

Chairman Mike Rud was absent. Representative Karla Rose Hanson, Senator Jeff Barta, Senator Clarie Cory and Mr. Rus Hanson participated remotely.

Representing the North Dakota Lottery (Lottery) were Mr. Thomas Lawler, Director; Mr. Ryan Koppy, sales and marketing manager; Mr. Matt Anderson, account budget specialist; and Ms. Jessica Seibel, administrative assistant II, attended in person. Mr. Mark Rauhauser, customer service specialist, and Ms. Julie Thompson, security officer, joined remotely.

Claire Ness, Chief Deputy Attorney General, participated in person. Representing Scientific Games LLC was Dan Moran, general manager of North Dakota participated in person. Representing GA Law Group were Amy Cleary and Levi Andrist participated remotely.

Since Chairman Rud was absent, Commissioner Russ Hanson was the acting Chairman. Chief Deputy Attorney General, Claire Ness let the Lottery Advisory Commission know how well everyone worked together with getting this conversion going and when the Lottery/IT ran into a few issues all worked together to get it resolved quickly as possible. Director, Thomas Lawler welcomed Senator Claire Cory to the commission. She took Representative Emily O'Brien's spot.

Approval of Minutes
Commissioner Karla Rose Hanson made a motion to approve the minutes of the July 28, 2025, meeting. Commissioner Cory seconded the motion. The motion passed 4-0.

Chief Deputy Attorney General, Claire Ness left at 1:09 p.m.

Update about the Public Hearing Held on September 17, 2025
Thomas Lawler presented this section.

A July 29, 2025, notification of a public hearing and availability of proposed rules was publicized during August 5 – August 11, 2025, in all North Dakota newspapers that are qualified to publish any public notice. The notification was also posted on the North Dakota newspaper association public notice website. A copy of the proposed rules was provided to each member of the Lottery Advisory Commission and the chairman of the Administrative Rules Committee. Copies of the proposed rules were available at the public hearing, Lottery's office, Lottery's website, and to the public on request. A terminal message was sent informing retailers.

The North Dakota Lottery conducted a public hearing on September 17, 2025, in Bismarck. Mr. Thomas Lawler, Director, Lottery Division, acted as the hearing officer. No interested individuals from the public attended. The comment period ended September 29, 2025.

North Dakota Lottery submitted:

a. Article 10-16 - Multi-State Lottery
    (1) Throughout Article 10-16 the trademark references of registered trademark (®) and trademark (™) are used.

(2) Change requested: To clean up our rules, the Lottery is asking to add or remove various trademark symbols throughout the rules. The Lottery is asking to use standards of the General Rule Section of A Guide to the ® and ™ Symbols | GovFacts. "Use the appropriate symbol with the first or most prominent appearance of the trademark in any document, webpage, or advertisement. Subsequent mentions in the same document don't need the symbol."

b. Subsection 3 of Section 10-16-08.1. Pick & Click ~~online~~iLottery play. (Effective through February 21, 2026)

(1) An individual shall provide the following information when registering as a player, ~~or a member of a group,~~ for the ~~lottery online~~iLottery play service:

(2) Currently, group play is allowed. After the system conversion, group play will no longer be allowed.

(3) Change requested: An individual shall provide the following information when registering as a player, ~~or a member of a group,~~ for the ~~lottery online~~iLottery play service:

c. Subsection 4 of Section 10-16-08.1. Pick & Click ~~online~~iLottery play. (Effective through February 21, 2026)

(1) An individual, whether individually or as a member of a group, must be physically located within the borders of North Dakota and shall pass all verification processes used by the lottery during the player's registration process.

(2) Currently, group play is allowed. After the system conversion, group play will no longer be allowed.

(3) Change requested: An individual, whether individually or as a member of a group, must be physically located within the borders of North Dakota and shall pass all verification processes used by the lottery during the player's registration process.

d. Subsection 7 of Section 10-16-08.1. Pick & Click ~~online~~iLottery play. (Effective through February 21, 2026)

(1) The owner of an ~~online~~iLottery play is the individual whose name is validly and properly registered with the lottery. However, the lottery may split a prize among two or more individuals who are registered members of a group play.

(2) Currently, group play is allowed. After the system conversion, group play will no longer be allowed.

(3) Change requested: The owner of an ~~online~~iLottery play is the individual whose name is validly and properly registered with the lottery~~. However, the lottery may split a prize among two or more individuals who are registered members of a group play.~~

Final approval for the proposed Administrative Rule changes

Commissioner Barta motioned to approve, and Commissioner Karla Rose Hanson seconded the motion. The motion passed unanimously.

(Proposed amendments attached.)

Overview of Financial Information (Unaudited)

Mr. Anderson presented fiscal year 2026, first quarter (July - September 2025) sales.

Total ticket sales for the quarter ended September 30, 2025, increased $3,999,864 or 56.94% compared to same period in 2024. The reason for the increase was the Powerball jackpot reached $1.787 billion during quarter end 9/30/25 compared to $258 million for quarter end 9/30/24. The Mega Millions jackpot reached $451 million during quarter end 9/30/25 compared to $800 million for quarter end 9/30/24. The 2by2 instant win promo ran in 2024 but none ran during the quarter end 9/30/25 which is why 2by2 sales decreased.

Marketing Activity and Short-Term Marketing Plans

Mr. Koppy presented an overview of marketing activity and short-term marketing plans.

Players Club

The North Dakota Lottery Players Club currently has 64,622 registered members as of September 27, 2025. There were 4,405 unique monthly active users with activity or funded an account, purchased, or entered tickets in the Club.

Several Points for Drawings (PFD) prizes were given to players in recent promotions. On August 6, 2025, five winners received Ninja Slushi Makers, two winners received the Massage Therapy Bundles. On September 3, 2025, five winners received LEGO® Architecture Bundles and one winner received the Ultimate Golf Bundle.

Three PFD promotions are currently in progress: one Super Chexx Bubble Hockey Table, two Ariens Snowblower and five Omaha Steaks Bundle. Although, the Ariens Snowblower and Omaha Steaks Bundle closed on October 6, 2025. Upcoming PFD promotion are the Skylight Smart Calendars and Sony Entertainment Bundles that will run through the beginning of December 2025.

Cash Dash Retailer Promotion

The Cash Dash promotion that was tentatively planned to run Sunday, November 2 through Saturday, November 29, 2025, was cancelled. This was due to a short turnaround from system conversion to the planned dates. The Cash Dash promotion was "hard coded" into the old system terminals. With the new Wave8 terminals, extensive testing will need to be done.

2by2 Instant Win Promotion

The 2by2 Instant Win Promotion is tentatively scheduled to run Sunday, May 31 through Saturday, June 27, 2026. Qualifying purchase will be a single play, 7-draw 2by2 ticket for $7. With the qualifying purchase, players will be eligible to instantly win a free 7-draw 2by2 ticket or $500; winners will be chosen at random. Advertising budget is set at $60,000 and prize expense is budgeted at $47,000.

As we've done in the past, we are also planning to include a 2nd Chance Drawing with this 2by2 promotion. Details as follows:

- 2by2, single play, seven (7) draw ($7) tickets, purchased May 31 – June 27, will be eligible to enter the 2nd Chance Drawing to win one of ten $500 second chance cash prizes.
- Entries will be made via the Enter Ticket page through the North Dakota Lottery Players Club website or scanned with the mobile app.
- Entry Timeline: May 31 – June 27, 2026.
- The 2nd Chance Drawing for the ten individual winners will be conducted by SGI Draw Services at a date that is yet to be determined. A player may only win one $500 second chance cash prize.

North Dakota Lottery/Players Club Websites Update/Refresh

The Players Club website update went live around 1pm CT on Sunday, September 28, 2025. This incorporated the website/branding refresh that the NDL website will undergo later this year. Odney completed the work on the NDL website update/refresh in late July and sent the template files to the ND Lottery. Due to system conversion testing, launch of the new LOTTERY.ND.GOV website has been pushed back. No timeline has been set, but we are looking to have the new website up and running no later than December 2025.

2025 Drug Task Force Benefactor Supplemental Campaign

The supplemental campaign ran September 1 through September 28, 2025. This campaign supplemented the initial campaign that ran May 19, 2025, through June 29, 2025. Budget for supplemental media campaign and production costs was $95,000. This covered minor production changes to graphics (replaced BCI Logo with BCI Badge), and TV ads (updated Polic Chief Stugelmeyer's title) along with ad placement.

Player Research and Survey

The tentative plan for market research/survey in late 2024/early 2025 had been postponed until late 2025/early 2026. Ryan and Thomas had an initial sit down discussion with Odney on September 4. Initial discussions covered platform to conduct the survey, timeframe, and budget. Initial plan is to use phone calls as the platform with a shorter, more focused questionnaire with a budget around $40,000. More information with be available at the next Lottery Advisory Commission meeting.

System Overview

Mr. Dan Moran presented this section.

System Incident

Mr. Moran gave summary of incidents that occurred from October 2024 to August 2025.

- October 11, 2024, system overloaded brought down the iCore system and the impact of this was high.
- November 12, 2024, 2by2 free promo code was sent to 13,000 player, this had a low impact on business.
- February 10, 2025, TXE1 domain reset after reboot had a high impact on business.
- April 5, 2025, iCore sales started at 7:45 on 5MEGA install night high impact on business.
- May 10, 2025, Shared services CPU maxed out. Server was searing for 5MEG which wasn't in the configuration. This had a medium impact on business.

- May 16, 2025, after a DA purge, servers overloaded looking for Hot Lotto and Wildcard because it kept looking for these games. This had low impact on business.

- July 4, 2025, Tanium updates on the RDB caused a connection issue. Selling started on time. Low impact on business.
- July 7, 2025, The backup drive was removed from the primary RDB. This caused EOD to not be able to complete. Low impact on business.
- August 20, 2025, CFE keeps crashing during the download of a FLEX release. We only have one CFE at this time, and it's not handling the traffic. Hight impact on business. We are now off of this and won't have this issue again. We are also off of physical servers and now on virtual servers which will make it easier to fix when an issue should arise.

Completed & Outstanding Requests

Secure Search Terminal offsets are currently in development. CGS firewall changes, SciGuard game setup, check processor logging, and O/S upgrade are all completed. HMAC cashing is now more secure. SciCore promotions are ongoing year-round. Mega Millions game change was done in March; it's now 5Mega. Switched the LIMs to HTML. The Give a Gift option has been deleted from the new system and changed to Promo voucher for players to still be able to redeem.

SGI Employee Changes

Mr. Moran presented the Scientific Games staffing report. Most of the employee turnover is related to changes in the management team. Most management changes were due to opportunities for promotions within the company while other vacancies were due to leaving the position.

Lottery Staff Changes

Mr. Thomas Lawler presented this section.

Mr. Scott Tarno retired in August. His position, customer service specialist will be a temporary position, and we have also opened another position for the Security officer.

Adjournment

Commissioner Barta made a motion to adjourn the meeting. Commissioner Cory seconded the motion. The motion passed 4-0. The meeting was adjourned at 1:45 p.m.