



## Press Release

June 16, 2011

# Lottery privatization “extreme” and “unnecessary,” say opponents

A group opposed to the privatization of Ohio’s Lottery said today in a press conference that the Lottery’s stellar sales record and the fact that the agency has already begun implementing the recommendations proposed by former State Auditor Mary Taylor, would make a privatization attempt extreme and unnecessary.

“The Lottery is anticipating another record year of sales revenue and its 10th consecutive year of sales growth,” said Jim LaRocca, an Ohio Lottery employee for 28 years. “Over the last six years the Lottery has achieved year-over-year growth in net profits to education. We are on pace this year to exceed last year’s profit transfer to the Lottery Profits Education Fund by over \$7 million.”

Despite the recession, Ohio Lottery sales have risen steadily, making the Ohio Lottery among the most successful and efficient lotteries in the nation. In fact, the Ohio Lottery out-performed nearly every state in sales per capita over the last two years, including those with privatized Lottery management.

LaRocca also said the agency is already on track to adopt many of the recommendations made by former state Auditor Mary Taylor including reducing staff and restructuring some departments.

Also speaking at the press conference, former Lottery Commissioner Rudy Stralka praised the agency staff and raised concerns that privatization would lead to the outsourcing of jobs to a foreign country.

The private Lottery industry is led by just two companies: GTech, a subsidiary of the Italian firm Lottomatica, and the Greek operator Intralot, that currently provides the electronic gaming services for Ohio’s Lottery.

“The Ohio Lottery is a very well-run organization with an exceptional staff,” said Stralka. “Not only did we have record-breaking sales, staff received a major award for financial reporting.”

Senator Michael Skindell (Lakewood) said the plan raised constitutional concerns since it authorizes an agency of the state to conduct lotteries, not a quasi-public or private entity. Additionally, he said the Senate bill language would allow 5 percent of Lottery proceeds to go toward profit; however, the constitution expressly prohibits it, according to Skindell.

*OCSEA represents approximately 34,000 state employees who work in a wide range of security, regulatory, administrative, direct care, maintenance, customer service and other positions, including 200 employees at the Ohio Lottery. For more information, contact Sally Meckling, 614-865-2602 or 614-404-3881 (cell).*