

From: [Patrick Ralston](#)
To: "[Alex Streett](#)"; [Bishop Woosley](#); "[Bruce Engstrom](#)"; [Commissioner Doug Pierce](#); [Commissioner Julie Baldrige](#); [Commissioner Mark Scott \(ASL\)](#); "[Dianne Lamberth](#)"; "[Doug Pierce](#)"; "[Doug Pierce](#)"; "[Doug Pierce](#)"; "[George Hammons](#)"; "[Julie Baldrige](#)"; [Patricia Vick](#); "[Raymond Frazier](#)"; "[Smokey Campbell](#)"; "[Smokey Campbell](#)"
Cc: [Jean Block](#); [Patricia Vick](#)
Subject: FOIA Request from Max Brantley, Arkansas Times
Date: Thursday, December 04, 2014 12:30:53 PM
Importance: High

Commissioners:

I have just received a request under the Freedom of Information Act from Max Brantley of the Arkansas Times, for all communications between Lottery Commissioners and ALC Director Bishop Woosley for December 2, 3, and 4, 2014.

Please let me know ASAP whether you have written communications from ANY those days, and if you do, **PLEASE FORWARD THEM TO ME SO THAT I MAY COMPLY WITH THIS REQUEST.**

Contact me if you have any questions.

PATRICK RALSTON || DIRECTOR OF PUBLIC RELATIONS & LEGISLATIVE LIAISON || ARKANSAS SCHOLARSHIP LOTTERY || OFFICE 501.683.1877 || MOBILE 501.590.1002 || EMAIL PATRICK.RALSTON@ARKANSAS.GOV

Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 9:41 PM
To: Bruce Engstrom
Cc: Matt Brown
Subject: Re: Contract extension

Assuming \$422,000,000 a year in sales and there being 50 months under the new rate (July 1, 2015 to August 2019)

2.17% is \$763,116.66 a month
2.165% is \$761,358.33 a month

\$1,757 a month difference a month x 50 months is \$87,883.00 difference

Sent from my iPhone

On Dec 3, 2014, at 9:31 PM, "Bruce Engstrom" [REDACTED] wrote:

What is that in terms of dollars over the life of the contract???

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Bishop Woosley
Date: 12/03/2014 9:26 PM (GMT-06:00)
To: Bruce Engstrom
Subject: Re: Contract extension

Ah. Sorry. The offer discussed at the last meeting was 2.17. So the difference in 2.17 and 2.165 is the gap between this newest offer and the offer discussed at the last meeting

Sent from my iPhone

On Dec 3, 2014, at 9:14 PM, "Bruce Engstrom" [REDACTED] [mailto:\[REDACTED\]](mailto:[REDACTED]) wrote:

That was not my question. They were at some higher number (2.16 or 2.17)? when they said that was their final offer. We discussed it in our last meeting. How much less is their current offer than that one?

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

Despite the previous misunderstanding, if the commission were to accept this deal, the savings for this offer, based on sales of \$422,000,000 is \$4,961,138.

How shall I proceed?

From: Tom Little [mailto:Tom.Little@intralot.us]
Sent: Wednesday, December 03, 2014 9:21 AM
To: Bishop Woosley
Cc: Jay Lapine; Byron Boothe; Toula Argentis
Subject: Contract extension

Dear Bishop:

Intralot offers the following in response to your email of December 1, 2014, time stamped 8:29 AM, and requests that you submit this offer to a vote of the ALC at its earliest convenience;

1. The Intralot contract shall be extend for three (3) years after current agreement expiration until August 14, 2019; and
2. Intralot will continue to be compensated at the rate of 2.45% of instant and on-line sales until July 1, 2015; and
3. Thereafter until the extension years expire on August 14, 2019, Intralot shall be compensated at the rate of 2.165% of instant and on-line sales; and
4. Intralot will provide a one-time marketing allowance of \$100,000.00 to be used by the ALC during the term of the agreement and its 3 year extension. Any funds not used at the expiration of the extension shall be forfeit; and finally
5. Intralot will continue to provide annually ,through the extension years, a \$25,000 commitment for System audit fees and a \$25,000.00 commitment for charitable contributions supported by the ALC.

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Best regards,
Tom

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Bishop Woosley

From: Bishop Woosley
Sent: Thursday, December 04, 2014 10:15 AM
To: ASL Commissioners; Alex Streett; Mark Scott; Bruce Engstrom; Commissioner Mark Scott (ASL); Diane Lamberth; Doug Pierce; George Hammons; Julie Baldrige; Raymond Frazier; Smokey Campbell; Smokey Campbell
Cc: Patricia Vick; Patrick Ralston; Jean Block; Matt Brown; Jerry Fetzer; Mike Smith (ASL)
Subject: FW: Contract extension
Attachments: Offer comparison.pdf

Just for your information, below is the information related to what would be voted on this afternoon. This offer would start the new rate on July 1, 2015. A chart is also attached to show you the difference between our current deal and some that have been considered in the past. I also provide some explanations below.

Difference in what we pay now (2.45%) versus this proposed deal at (2.165%) for the approximately 50 months of the deal (July 1, 2015 - August 2019) = \$100,224.99 in savings each month (based on sales of \$422,000,000) for a total savings over that time period of \$5,011,249.83. (all of these figures are based on estimated numbers but give you a general sense of possible cost savings)

Also, I asked Matt to calculate the difference in this deal versus the 2.11% deal we thought we had versus the 2.11% deal as Intralot understood the deal (basically starting immediately versus starting in August 2016). Those comparisons are attached.

In short, the deal amounts to about \$1,674,813 million less than the earlier 2.11% deal as we understood, but is \$656,738 more than the way Intralot understood the 2.11% agreement.

From: Tom Little [<mailto:Tom.Little@intralot.us>]
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Cc: Jay Lapine; Byron Boothe; Tola Argentis
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From: Bishop Woosley
Sent: Thursday, December 04, 2014 10:16 AM
To: ASL Commissioners; Alex Streett; Mark Scott; Bruce Engstrom; Commissioner Mark Scott (ASL); Diane Lamberth; Doug Pierce; George Hammons; Julie Baldrige; Raymond Frazier; Smokey Campbell; Smokey Campbell
Cc: Jean Block; Patricia Vick; Patrick Ralston; Matt Brown; Mike Smith (ASL)
Subject: FW: Contract extension

Also, below is an email that Commissioner Engstrom sent last night that he asked be forwarded to the commission

From: Bruce Engstrom [mailto: [REDACTED]]
Sent: Wednesday, December 03, 2014 9:09 PM
To: Smokey Campbell
Cc: Bishop Woosley
Subject: RE: Contract extension

I have several concerns that are unanswered at this point and if I don't get good understandable answers I will have to vote no.

- 1: The so called "misunderstanding" over the drafting of the agreed upon settlement is hard to understand and extremely worrisome as to the bargaining in good faith methods of our vendor.
- 2: The line-in-sand earlier offer was somewhat of a shock and to be told that they had some information as to what we were be willing to pay was a double shock. Where and from whom did they receive such information? Bishop referred to it as "misinformation". I guess that would be misinformation #1.
3. One could understand me, as a forensic accountant, having the feeling that there might be something going on in the background that is not seeing the light of day.
- 3: I thought the deal we felt was agreed upon by both sides was on the upper limit of what I was comfortable in supporting.

Now that they are trying to up the "agreed upon amount" it exceeds what I am comfortable with.

But I am only one of nine.

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Smokey Campbell
Date: 12/03/2014 7:52 PM (GMT-06:00)
To: Bishop Woosley
Cc: Bruce Engstrom
Subject: Re: Contract extension

I have no problem accepting-What do you say Bruce ?

Sent from my iPad

> On Dec 3, 2014, at 7:05 PM, Bishop Woosley <Bishop.Woosley@arkansas.gov> wrote:

> See below. Its about 1.67 million less over the course of the contract

> Sent from my iPhone

> Begin forwarded message:

> From: Bishop Woosley <Bishop.Woosley@arkansas.gov<<mailto:Bishop.Woosley@arkansas.gov>>>

> Date: December 3, 2014 at 1:06:52 PM CST

> To: 'Bruce Engstrom' <<mailto:Bruce.Engstrom@arkansas.gov>>, 'Smokey Campbell'

<<mailto:Smokey.Campbell@arkansas.gov>>

> Cc: "Mike Smith (ASL)" <Mike.Smith@arkansas.gov<<mailto:Mike.Smith@arkansas.gov>>>, Jean Block

<Jean.Block@arkansas.gov<<mailto:Jean.Block@arkansas.gov>>>, Matt Brown

<Matt.Brown@arkansas.gov<<mailto:Matt.Brown@arkansas.gov>>>

> Subject: FW: Contract extension

> All, see below the latest counter offer from Intralot. I asked Matt to calculate the difference in this deal versus the 2.11% deal we thought we had versus the 2.11% deal as Intralot understood the deal (basically starting immediately versus starting in August 2016). Those comparisons are attached.

> In short, the deal amounts to about \$1,674,813 million less than the earlier 2.11% deal as we understood, but is \$656,738 more than the way Intralot understood the 2.11% agreement.

> Despite the previous misunderstanding, if the commission were to accept this deal, the savings for this offer, based on sales of \$422,000,000 is \$4,961,138.

> How shall I proceed?

> From: Tom Little [<mailto:Tom.Little@intralot.us>]

> Sent: Wednesday, December 03, 2014 9:21 AM

> To: Bishop Woosley

> Cc: Jay Lapine; Byron Boothe; Toulou Argenti

> Subject: Contract extension

> Dear Bishop:

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> Best regards,

> Tom

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> <Offer comparison.pdf>

Bishop Woosley

From: juliaannbaldrige [REDACTED]
Sent: Wednesday, December 03, 2014 2:55 PM
To: Bishop Woosley
Subject: RE: FW: Contract extension

I want to vote if the Chair approves calling us together. I am free for the rest of today and all of tomorrow except for 11 to 12:30.

Sent via the Samsung GALAXY S@4, an AT&T 4G LTE smartphone

----- Original message -----

From: Bishop Woosley <Bishop.Woosley@arkansas.gov>
Date: 12/03/2014 2:39 PM (GMT-06:00)
To: ASL Commissioners <ASL.Commissioners@arkansas.gov>, Alex Streett [REDACTED], Mark Scott [REDACTED], Bruce Engstrom [REDACTED], "Commissioner Mark Scott (ASL)" <Mark.Scott@arkansas.gov>, Diane Lamberth [REDACTED], Doug Pierce [REDACTED], George Hammons [REDACTED], Julie Baldrige [REDACTED], Raymond Frazier <[REDACTED]>, Smokey Campbell [REDACTED], Smokey Campbell [REDACTED]
Cc: Patricia Vick <Patricia.Vick@arkansas.gov>, Patrick Ralston <Patrick.Ralston@arkansas.gov>, Jean Block <Jean.Block@arkansas.gov>, Matt Brown <Matt.Brown@arkansas.gov>, "Mike Smith (ASL)" <Mike.Smith@arkansas.gov>, Jerry Fetzer <Jerry.Fetzer@arkansas.gov>, Robert Stebbins <Robert.Stebbins@arkansas.gov>, Joanna Buntun <Joanna.Buntun@arkansas.gov>
Subject: FW: Contract extension

All, I just wanted to give you an update on where we stand. See below

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 1:07 PM
To: 'Bruce Engstrom'; 'Smokey Campbell'
Cc: Mike Smith (ASL); Jean Block; Matt Brown
Subject: FW: Contract extension

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Bishop Woosley

From: Bruce Engstrom [REDACTED]
Sent: Wednesday, December 03, 2014 5:48 PM
To: Bishop Woosley; Smokey Campbell
Subject: RE: FW: Contract extension

How does it compare to their line-in-sand offer?

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Bishop Woosley
Date: 12/03/2014 3:15 PM (GMT-06:00)
To: Bruce Engstrom, Smokey Campbell
Subject: FW: FW: Contract extension

FYI

From: juliaannbaldrige [mailto:[REDACTED]]
Sent: Wednesday, December 03, 2014 2:55 PM
To: Bishop Woosley
Subject: RE: FW: Contract extension

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Cc: Bishop Woosley
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Let us know

Sent from my iPad

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> To: 'Bruce Engstrom' [REDACTED] <[mailto:\[REDACTED\]](mailto:[REDACTED])>, 'Smokey Campbell' [REDACTED] <[mailto:\[REDACTED\]](mailto:[REDACTED])>

> Cc: "Mike Smith (ASL)" <Mike.Smith@arkansas.gov<<mailto:Mike.Smith@arkansas.gov>>>, Jean Block <Jean.Block@arkansas.gov<<mailto:Jean.Block@arkansas.gov>>>, Matt Brown <Matt.Brown@arkansas.gov<<mailto:Matt.Brown@arkansas.gov>>>

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> <Offer comparison.pdf>

Bishop Woosley

From: Bruce Engstrom [REDACTED]
Sent: Wednesday, December 03, 2014 8:21 PM
To: Bishop Woosley; Smokey Campbell
Subject: RE: Contract extension

No, at one point they issued a "this our final offer" that we considered in our last meeting. How does their most recent offer compare to that one?

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Bishop Woosley
Date: 12/03/2014 7:05 PM (GMT-06:00)
To: Bruce Engstrom, Smokey Campbell
Subject: Fwd: Contract extension

See below. Its about 1.67 million less over the course of the contract

Sent from my iPhone

Begin forwarded message:

From: Bishop Woosley <Bishop.Woosley@arkansas.gov<<mailto:Bishop.Woosley@arkansas.gov>>>
Date: December 3, 2014 at 1:06:52 PM CST
To: 'Bruce Engstrom' [REDACTED] <[mailto:\[REDACTED\]](mailto:[REDACTED])>, 'Smokey Campbell' [REDACTED] <[mailto:\[REDACTED\]](mailto:[REDACTED])>
Cc: "Mike Smith (ASL)" <Mike.Smith@arkansas.gov<<mailto:Mike.Smith@arkansas.gov>>>, Jean Block <Jean.Block@arkansas.gov<<mailto:Jean.Block@arkansas.gov>>>, Matt Brown <Matt.Brown@arkansas.gov<<mailto:Matt.Brown@arkansas.gov>>>
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Despite the previous misunderstanding, if the commission were to accept this deal, the savings for this offer, based on sales of \$422,000,000 is \$4,961,138.

How shall I proceed?

From: Tom Little [<mailto:Tom.Little@intralot.us>]
Sent: Wednesday, December 03, 2014 9:21 AM
To: Bishop Woosley
Cc: Jay Lapine; Byron Boothe; Toulia Argentis
Subject: Contract extension

Dear Bishop:

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Bishop Woosley

From: Bruce Engstrom [REDACTED]
Sent: Wednesday, December 03, 2014 9:09 PM
To: Smokey Campbell
Cc: Bishop Woosley
Subject: RE: Contract extension

I have several concerns that are unanswered at this point and if I don't get good understandable answers I will have to vote no.

1: The so called "misunderstanding" over the drafting of the agreed upon settlement is hard to understand and extremely worrisome as to the bargaining in good faith methods of our vendor.

2: The line-in-sand earlier offer was somewhat of a shock and to be told that they had some information as to what we were be willing to pay was a double shock. Where and from whom did they receive such information? Bishop referred to it as "misinformation". I guess that would be misinformation #1.

3. One could understand me, as a forensic accountant, having the feeling that there might be something going on in the background that is not seeing the light of day.

3: I thought the deal we felt was agreed upon by both sides was on the upper limit of what I was comfortable in supporting.

Now that they are trying to up the "agreed upon amount" it exceeds what I am comfortable with.

But I am only one of nine.

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Smokey Campbell
Date: 12/03/2014 7:52 PM (GMT-06:00)
To: Bishop Woosley
Cc: Bruce Engstrom
Subject: Re: Contract extension

I have no problem accepting-What do you say Bruce ?

Sent from my iPad

> On Dec 3, 2014, at 7:05 PM, Bishop Woosley <Bishop.Woosley@arkansas.gov> wrote:

>
> See below. Its about 1.67 million less over the course of the contract

>
> Sent from my iPhone

>
> Begin forwarded message:

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> From: Bishop Woosley <Bishop.Woosley@arkansas.gov<mailto:Bishop.Woosley@arkansas.gov>>

> Date: December 3, 2014 at 1:06:52 PM CST

> To: 'Bruce Engstrom' [redacted] <mailto:[redacted]>>, 'Smokey Campbell'

[redacted] <mailto:[redacted]>

> Cc: "Mike Smith (ASL)" <Mike.Smith@arkansas.gov<mailto:Mike.Smith@arkansas.gov>>>, Jean Block

<Jean.Block@arkansas.gov<mailto:Jean.Block@arkansas.gov>>>, Matt Brown

<Matt.Brown@arkansas.gov<mailto:Matt.Brown@arkansas.gov>>>

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> Sent: Wednesday, December 03, 2014 9:21 AM

> To: Bishop Woosley

> Cc: Jay Lapine; Byron Boothe; Toula Argentis

> Subject: Contract extension

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> <Offer comparison.pdf>

Bishop Woosley

From: Bruce Engstrom [REDACTED]
Sent: Wednesday, December 03, 2014 9:15 PM
To: Bishop Woosley
Subject: RE: Contract extension

That was not my question. They were at some higher number (2.16 or 2.17)? when they said that was their final offer. We discussed it in our last meeting. How much less is their current offer than that one?

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

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From: Bishop Woosley
Date: 12/03/2014 8:24 PM (GMT-06:00)
To: Bruce Engstrom
Cc: Smokey Campbell
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Bishop Woosley

From: Bruce Engstrom [REDACTED]
Sent: Wednesday, December 03, 2014 9:31 PM
To: Bishop Woosley
Cc: Matt Brown
Subject: RE: Contract extension

What is that in terms of dollars over the life of the contract???

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Bishop Woosley
Date: 12/03/2014 9:26 PM (GMT-06:00)
To: Bruce Engstrom
Subject: Re: Contract extension

Ah. Sorry. The offer discussed at the last meeting was 2.17. So the difference in 2.17 and 2.165 is the gap between this newest offer and the offer discussed at the last meeting

Sent from my iPhone

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Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 1:07 PM
To: 'Bruce Engstrom'; 'Smokey Campbell'
Cc: Mike Smith (ASL); Jean Block; Matt Brown
Subject: FW: Contract extension
Attachments: Offer comparison.pdf

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	2015	2016	2017	2018	2019	Total Term	Comparisons to Current
Assumed Sales	\$ 422,000,000	\$ 422,000,000	\$ 422,000,000	\$ 422,000,000	\$ 422,000,000	\$ 1,951,750,000	
Current Rate (2.45%)	\$ 10,339,000	\$ 10,339,000	\$ 10,339,000	\$ 10,339,000	\$ 6,461,875	\$ 47,817,875	Est. \$ Savings 4,304,400 Est. % Savings 9.00%
At IntraLot Accepted Rate on 11/21 and per IntraLot's assumed terms (2.45% for remainder of contract through 08/15/2016; 2.11% for 3-year extension)	\$ 10,339,000	\$ 9,800,950	\$ 8,904,200	\$ 8,804,200	\$ 5,565,125	\$ 43,513,475	
At ALC Offered Rate on 11/21 and per ALC's assumed terms (2.11% effective 01/01/2015 through end of extended contract)	\$ 8,904,200	\$ 8,904,200	\$ 8,904,200	\$ 8,904,200	\$ 5,565,125	\$ 41,181,825	8,636,956 13.88%
At IntraLot's Current Offered Rate (2.45% through 08/30/2016; 2.15% effective 07/01/2015 through end of extended contract)	\$ 9,737,650	\$ 9,136,300	\$ 9,136,300	\$ 9,136,300	\$ 5,710,188	\$ 42,856,738	4,961,138 10.38%

Current Offer vs. ALC 11/21 Offer & Terms
 Est. \$ Difference 1,674,813
 Est. % Difference 4.07%

Notes
 (1) Calculations assume even sales distribution throughout the year; all calculations based on assumed annual sales of \$422 million.
 (2) In years where rate changes occur during the year, calculations are based on a half-month convention.

Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 1:35 PM
To: Patrick Ralston; Alex Streett; Bruce Engstrom; Commissioner Doug Pierce; Commissioner Julie Baldrige; Commissioner Mark Scott (ASL); Dianne Lamberth; Doug Pierce; Doug Pierce; Doug Pierce; George Hammons; Julie Baldrige; Patricia Vick; Raymond Frazier; Smokey Campbell; Smokey Campbell
Subject: Oklahoma lottery news

Lottery Commission to propose Legislation to Reduce Percentage Allocation to Education

OKLAHOMA (December 3, 2014) -- The Oklahoma Lottery Commission hopes to propose legislation in the upcoming legislative session, pending support from legislators.

According to reports from news source *KGOU*, the commission hopes to propose four different items, the first of which would grant relief from the 35 percent minimum mandated profit. In December of 2007, the commission tried to change the mandated profit, but was unsuccessful.

This legislation currently in place requires 35 percent of the net profit per fiscal year to be given to state education. This was created to maximize net proceeds available for educational purposes, though the commission claims it has the opposite effect. In the 2007 report, the commission stated that mandating a profit percentage inhibits the lottery's ability to provide a greater prize percentage payout in various games, which inhibits sales and profits. The report requests legislative action to remove the profit percentage mandate in order to see growth in sales and provide additional "real dollar" funding for education.

The commission also hopes to propose legislation to move from cash-only to allowing individuals to pay with debit cards.

SOURCE: KGOU.

From: Patrick Ralston

Sent: Wednesday, December 03, 2014 9:43 AM

To: Alex Streett; Bishop Woosley; Bruce Engstrom; Commissioner Doug Pierce; Commissioner Julie Baldrige; Commissioner Mark Scott (ASL); Dianne Lamberth; Doug Pierce; Doug Pierce; Doug Pierce; George Hammons; Julie Baldrige; Patricia Vick; Raymond Frazier; Smokey Campbell; Smokey Campbell

Subject: LOTTERY UPDATE: THE BIGS

More love from the editorial board at the AD-G

Another unlikely story

Share on facebookShare on twitterMore Sharing Services

The lottery crosses itself up—again

This article was published today at 3:14 a.m.

- Comments
- aAFont Size

Another day, another newspaper at your doorstep, another story about the Arkansas lottery's not doing this or coming up short on that. The real story may be that the lottery's honchos are just tripping over themselves trying to explain its fiscal troubles. Again.

Last month, the lottery's director and apologist-in-chief, Bishop Woosley, tried to explain away why the lottery doesn't rack up the sales it once did. As if that were a bad thing--rather than good news when not as many folks

are plunking down their hard-earned cash to gamble in this state's official, certified, legalized and generally oversold scam.

It would have been much too simple for Director Woosley to just come clean and confess that more folks are catching on to this racket.

Last week, still another story about this state's lottery appeared on the front page. It turns out that more and more prizes are going unclaimed these days. What's more, the amounts unclaimed have been going up year after year. Consider:

The first full year the lottery was in business, back in fiscal 2011, \$4.84 million in winnings weren't claimed. The next year, that number rose to \$4.89 million. Then \$5.19 million in 2013 and another \$5.4 million last year.

What can all that mean? That people don't know they've won something? That players aren't paying sufficient attention? Or that maybe out-of-state types--say, long-haul truckers or tourists--are grabbing and going but not cashing in?

Naturally, reporters asked those running the lottery what they thought about the ever growing amount of unclaimed prizes. One of the lottery's big--spokesman Patrick Ralston--tried to explain it this way, after noting it would be hard to explain at all:

"You could also partially attribute [the rise] to the larger Powerball and Mega Millions jackpots," he told the paper. "Higher jackpots equal more plays and attract more players. More players and more plays increase the likelihood that a player may not realize they won a smaller prize, or did win a prize but failed to cash the ticket in the time allowed." The big problem, you see, is that the lottery's jackpots are too big.

The lottery really needs to get its stories straight. Because just last month Bishop Woosley went before the Lottery Commission to explain why the lottery wasn't taking the suckers for the usual higher amounts, and one of his "explanations" was that the jackpots offered by Powerball and Mega Millions are too *small* to attract players. Always ready with a colorful alibi, The Bishop called this being at the mercy of the Jackpot Beast, if memory and recent archives serve. In the first four months of this fiscal year, the lottery's revenue has dropped almost 5 percent. But most of that loss was because of the decline in the draw games, Bishop Woosley told his commission.

Oh, if we could only get Powerball up to around \$100 million again, all our problems would be solved! Which sounds just like the kind of sucker bait the lottery offers all comers.

Did you get all that? When the Arkansas lottery's take declines, it's because Powerball doesn't offer large enough jackpots and so the suckers stop buying tickets.

But when the amount of unclaimed prizes keeps growing, blame it on Powerball's attracting too many suckers--so many that winners just forget to pick up their penny-ante prizes.

The lottery has been teaching the rest of us some valuable lessons over the years. The first, which we should have known all along, is that the odds of winning are terrible. The second is that the only sure way to make money off the lottery is to be on its payroll.

Here's another lesson: When the barkers at the lottery start explaining things, take their spiel the way you would that of any other carny at the State Fair: Smile, nod . . . and back away slowly. And whatever you do, don't hurry, hurry, hurry, step right up.

Editorial on 12/03/2014

**PATRICK RALSTON || DIRECTOR OF PUBLIC RELATIONS & LEGISLATIVE LIAISON || ARKANSAS SCHOLARSHIP
LOTTERY || OFFICE 501.683.1877 || MOBILE 501.590.1002 || EMAIL PATRICK.RALSTON@ARKANSAS.GOV**

Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 2:40 PM
To: ASL Commissioners; Alex Streett; Mark Scott; Bruce Engstrom; Commissioner Mark Scott (ASL); Diane Lamberth; Doug Pierce; George Hammons; Julie Baldrige; Raymond Frazier; Smokey Campbell; Smokey Campbell
Cc: Patricia Vick; Patrick Ralston; Jean Block; Matt Brown; Mike Smith (ASL); Jerry Fetzer; Robert Stebbins; Joanna Bunten
Subject: FW: Contract extension
Attachments: Offer comparison.pdf

All, I just wanted to give you an update on where we stand. See below

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 1:07 PM
To: 'Bruce Engstrom'; 'Smokey Campbell'
Cc: Mike Smith (ASL); Jean Block; Matt Brown
Subject: FW: Contract extension

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In short, the deal amounts to about \$1,674,813 million less than the earlier 2.11% deal as we understood, but is \$656,738 more than the way Intralot understood the 2.11% agreement.

Despite the previous misunderstanding, if the commission were to accept this deal, the savings for this offer, based on sales of \$422,000,000 is \$4,961,138.

How shall I proceed?

From: Tom Little [<mailto:Tom.Little@intralot.us>]
Sent: Wednesday, December 03, 2014 9:21 AM
To: Bishop Woosley
Cc: Jay Lapine; Byron Boothe; Toula Argentis
Subject: Contract extension

Dear Bishop:

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Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 3:04 PM
To: 'juliaannbaldrige'
Subject: RE: FW: Contract extension

Thank you and I shall pass this along

From: juliaannbaldrige [mailto: [REDACTED]]
Sent: Wednesday, December 03, 2014 2:55 PM
To: Bishop Woosley
Subject: RE: FW: Contract extension

I want to vote if the Chair approves calling us together. I am free for the rest of today and all of tomorrow except for 11 to 12:30.

Sent via the Samsung GALAXY S®4, an AT&T 4G LTE smartphone

----- Original message -----

From: Bishop Woosley <Bishop.Woosley@arkansas.gov>
Date: 12/03/2014 2:39 PM (GMT-06:00)
To: ASL Commissioners <ASL.Commissioners@arkansas.gov>, Alex Streett [REDACTED], Mark Scott [REDACTED], Bruce Engstrom [REDACTED], "Commissioner Mark Scott (ASL)" <Mark.Scott@arkansas.gov>, Diane Lamberth [REDACTED], Doug Pierce [REDACTED], George Hammons [REDACTED], Julie Baldrige [REDACTED], Raymond Frazier [REDACTED], Smokey Campbell [REDACTED], Smokey Campbell [REDACTED]
Cc: Patricia Vick <Patricia.Vick@arkansas.gov>, Patrick Ralston <Patrick.Ralston@arkansas.gov>, Jean Block <Jean.Block@arkansas.gov>, Matt Brown <Matt.Brown@arkansas.gov>, "Mike Smith (ASL)" <Mike.Smith@arkansas.gov>, Jerry Fetzer <Jerry.Fetzer@arkansas.gov>, Robert Stebbins <Robert.Stebbins@arkansas.gov>, Joanna Buntun <Joanna.Buntun@arkansas.gov>
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Sent: Wednesday, December 03, 2014 3:16 PM
To: Bruce Engstrom; Smokey Campbell
Subject: FW: FW: Contract extension

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Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 7:06 PM
To: Bruce Engstrom; Smokey Campbell
Subject: Fwd: Contract extension
Attachments: Offer comparison.pdf; ATT00001.htm

See below. Its about 1.67 million less over the course of the contract

Sent from my iPhone

Begin forwarded message:

From: Bishop Woosley <Bishop.Woosley@arkansas.gov>
Date: December 3, 2014 at 1:06:52 PM CST
To: 'Bruce Engstrom' [REDACTED], 'Smokey Campbell' [REDACTED]
Cc: "Mike Smith (ASL)" <Mike.Smith@arkansas.gov>, Jean Block <Jean.Block@arkansas.gov>, Matt Brown <Matt.Brown@arkansas.gov>
Subject: FW: Contract extension

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Sent: Wednesday, December 03, 2014 8:25 PM
To: Bruce Engstrom
Cc: Smokey Campbell
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Bruce

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To: Bruce Engstrom, Smokey Campbell
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Cc: "Mike Smith (ASL)" <Mike.Smith@arkansas.gov<<mailto:Mike.Smith@arkansas.gov>>>, Jean Block <Jean.Block@arkansas.gov<<mailto:Jean.Block@arkansas.gov>>>, Matt Brown <Matt.Brown@arkansas.gov<<mailto:Matt.Brown@arkansas.gov>>>
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Bruce

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Assuming \$422,000,000 a year in sales and there being 50 months under the new rate (July 1, 2015 to August 2019)

2.17% is \$763,116.66 a month
2.165% is \$761,358.33 a month

\$1,757 a month difference a month x 50 months is \$87,883.00 difference

Sent from my iPhone

On Dec 3, 2014, at 9:31 PM, "Bruce Engstrom" [REDACTED] wrote:

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Bruce

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Date: December 3, 2014 at 1:06:52 PM CST
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[REDACTED] <mailto:[REDACTED]> <mailto:[REDACTED]> <mailto:[REDACTED]>
[REDACTED] >, 'Smokey Campbell'
[REDACTED] <mailto:[REDACTED]> <mailto:[REDACTED]> <mailto:[REDACTED]>
Cc: "Mike Smith (ASL)"
<Mike.Smith@arkansas.gov<mailto:Mike.Smith@arkansas.gov><mailto:Mike.Smith@arkansas.gov><mailto:Mike.Smith@arkansas.gov>>>, Jean Block
<Jean.Block@arkansas.gov<mailto:Jean.Block@arkansas.gov><mailto:Jean.Block@arkansas.gov><mailto:Jean.Block@arkansas.gov>>>, Matt Brown
<Matt.Brown@arkansas.gov<mailto:Matt.Brown@arkansas.gov><mailto:Matt.Brown@arkansas.gov><mailto:Matt.Brown@arkansas.gov>>>
Subject: FW: Contract extension

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How shall I proceed?

From: Tom Little [mailto:Tom.Little@intralot.us]
Sent: Wednesday, December 03, 2014 9:21 AM
To: Bishop Woosley
Cc: Jay Lapine; Byron Boothe; Toulia Argentis
Subject: Contract extension

Dear Bishop:

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Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 1:07 PM
To: 'Bruce Engstrom'; 'Smokey Campbell'
Cc: Mike Smith (ASL); Jean Block; Matt Brown
Subject: FW: Contract extension
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Current Rate (2.45%)	\$ 10,339,000	\$ 10,339,000	\$ 10,339,000	\$ 10,339,000	\$ 6,461,875	\$ 47,817,875	Est. % Savings 9.00%
At Intradco Accepted Rate on 11/21 and per Intradco's assumed terms (2.45% for remainder of contract through 08/15/2016; 2.11% for 3-year extension)	\$ 10,339,000	\$ 9,800,950	\$ 8,904,200	\$ 8,904,200	\$ 5,565,125	\$ 43,513,475	Est. % Savings 9.00%
At ALC Offered Rate on 11/21 and per ALC's assumed terms (2.11% effective 01/01/2015 through end of extended contract)	\$ 8,904,200	\$ 8,904,200	\$ 8,904,200	\$ 8,904,200	\$ 5,565,125	\$ 41,181,925	13.88%
At Intradco's Current Offered Rate (2.45% through 08/30/2015; 2.165% effective 07/01/2015 through end of extended contract)	\$ 9,737,650	\$ 9,136,300	\$ 9,136,300	\$ 9,136,300	\$ 5,710,188	\$ 42,856,738	10.38%

Current Offer vs. ALC 11/21 Offer & Terms
 Est. \$ Difference 1,674,813
 Est. % Difference 4.07%

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Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 1:35 PM
To: Patrick Ralston; Alex Streett; Bruce Engstrom; Commissioner Doug Pierce; Commissioner Julie Baldrige; Commissioner Mark Scott (ASL); Dianne Lamberth; Doug Pierce; Doug Pierce; Doug Pierce; George Hammons; Julie Baldrige; Patricia Vick; Raymond Frazier; Smokey Campbell; Smokey Campbell
Subject: Oklahoma lottery news

Lottery Commission to propose Legislation to Reduce Percentage Allocation to Education

OKLAHOMA (December 3, 2014) -- The Oklahoma Lottery Commission hopes to propose legislation in the upcoming legislative session, pending support from legislators.

According to reports from news source *KGOU*, the commission hopes to propose four different items, the first of which would grant relief from the 35 percent minimum mandated profit. In December of 2007, the commission tried to change the mandated profit, but was unsuccessful.

This legislation currently in place requires 35 percent of the net profit per fiscal year to be given to state education. This was created to maximize net proceeds available for educational purposes, though the commission claims it has the opposite effect. In the 2007 report, the commission stated that mandating a profit percentage inhibits the lottery's ability to provide a greater prize percentage payout in various games, which inhibits sales and profits. The report requests legislative action to remove the profit percentage mandate in order to see growth in sales and provide additional "real dollar" funding for education.

The commission also hopes to propose legislation to move from cash-only to allowing individuals to pay with debit cards.

SOURCE: KGOU.

From: Patrick Ralston
Sent: Wednesday, December 03, 2014 9:43 AM
To: Alex Streett; Bishop Woosley; Bruce Engstrom; Commissioner Doug Pierce; Commissioner Julie Baldrige; Commissioner Mark Scott (ASL); Dianne Lamberth; Doug Pierce; Doug Pierce; Doug Pierce; George Hammons; Julie Baldrige; Patricia Vick; Raymond Frazier; Smokey Campbell; Smokey Campbell
Subject: LOTTERY UPDATE: THE BIGS

More love from the editorial board at the AD-G

Another unlikely story

Share on facebookShare on twitterMore Sharing Services

The lottery crosses itself up—again

This article was published today at 3:14 a.m.

- Comments
- aFont Size

Another day, another newspaper at your doorstep, another story about the Arkansas lottery's not doing this or coming up short on that. The real story may be that the lottery's honchos are just tripping over themselves trying to explain its fiscal troubles. Again.

Last month, the lottery's director and apologist-in-chief, Bishop Woosley, tried to explain away why the lottery doesn't rack up the sales it once did. As if that were a bad thing--rather than good news when not as many folks

are plunking down their hard-earned cash to gamble in this state's official, certified, legalized and generally oversold scam.

It would have been much too simple for Director Woosley to just come clean and confess that more folks are catching on to this racket.

Last week, still another story about this state's lottery appeared on the front page. It turns out that more and more prizes are going unclaimed these days. What's more, the amounts unclaimed have been going up year after year. Consider:

The first full year the lottery was in business, back in fiscal 2011, \$4.84 million in winnings weren't claimed. The next year, that number rose to \$4.89 million. Then \$5.19 million in 2013 and another \$5.4 million last year.

What can all that mean? That people don't know they've won something? That players aren't paying sufficient attention? Or that maybe out-of-state types--say, long-haul truckers or tourists--are grabbing and going but not cashing in?

Naturally, reporters asked those running the lottery what they thought about the ever growing amount of unclaimed prizes. One of the lottery's big--spokesman Patrick Ralston--tried to explain it this way, after noting it would be hard to explain at all:

"You could also partially attribute [the rise] to the larger Powerball and Mega Millions jackpots," he told the paper. "Higher jackpots equal more plays and attract more players. More players and more plays increase the likelihood that a player may not realize they won a smaller prize, or did win a prize but failed to cash the ticket in the time allowed." The big problem, you see, is that the lottery's jackpots are too big.

The lottery really needs to get its stories straight. Because just last month Bishop Woosley went before the Lottery Commission to explain why the lottery wasn't taking the suckers for the usual higher amounts, and one of his "explanations" was that the jackpots offered by Powerball and Mega Millions are too *small* to attract players. Always ready with a colorful alibi, The Bishop called this being at the mercy of the Jackpot Beast, if memory and recent archives serve. In the first four months of this fiscal year, the lottery's revenue has dropped almost 5 percent. But most of that loss was because of the decline in the draw games, Bishop Woosley told his commission.

Oh, if we could only get Powerball up to around \$100 million again, all our problems would be solved! Which sounds just like the kind of sucker bait the lottery offers all comers.

Did you get all that? When the Arkansas lottery's take declines, it's because Powerball doesn't offer large enough jackpots and so the suckers stop buying tickets.

But when the amount of unclaimed prizes keeps growing, blame it on Powerball's attracting too many suckers--so many that winners just forget to pick up their penny-ante prizes.

The lottery has been teaching the rest of us some valuable lessons over the years. The first, which we should have known all along, is that the odds of winning are terrible. The second is that the only sure way to make money off the lottery is to be on its payroll.

Here's another lesson: When the barkers at the lottery start explaining things, take their spiel the way you would that of any other con at the State Fair: Smile, nod . . . and back away slowly. And whatever you do, don't hurry, hurry, hurry, step right up.

Editorial on 12/03/2014

**PATRICK RALSTON || DIRECTOR OF PUBLIC RELATIONS & LEGISLATIVE LIAISON || ARKANSAS SCHOLARSHIP
LOTTERY || OFFICE 501.683.1877 || MOBILE 501.590.1002 || EMAIL PATRICK.RALSTON@ARKANSAS.GOV**

Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 2:40 PM
To: ASL Commissioners; Alex Streett; Mark Scott; Bruce Engstrom; Commissioner Mark Scott (ASL); Diane Lamberth; Doug Pierce; George Hammons; Julie Baldrige; Raymond Frazier; Smokey Campbell; Smokey Campbell
Cc: Patricia Vick; Patrick Ralston; Jean Block; Matt Brown; Mike Smith (ASL); Jerry Fetzer; Robert Stebbins; Joanna Bunten
Subject: FW: Contract extension
Attachments: Offer comparison.pdf

All, I just wanted to give you an update on where we stand. See below

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 1:07 PM
To: 'Bruce Engstrom'; 'Smokey Campbell'
Cc: Mike Smith (ASL); Jean Block; Matt Brown
Subject: FW: Contract extension

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Sent: Wednesday, December 03, 2014 7:06 PM
To: Bruce Engstrom; Smokey Campbell
Subject: Fwd: Contract extension
Attachments: Offer comparison.pdf; ATT00001.htm

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Sent from my iPhone

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Date: December 3, 2014 at 1:06:52 PM CST
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Subject: Fwd: Contract extension

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Bishop Woosley

From: Bishop Woosley
Sent: Wednesday, December 03, 2014 9:26 PM
To: Bruce Engstrom
Subject: Re: Contract extension

Ah. Sorry. The offer discussed at the last meeting was 2.17. So the difference in 2.17 and 2.165 is the gap between this newest offer and the offer discussed at the last meeting

Sent from my iPhone

On Dec 3, 2014, at 9:14 PM, "Bruce Engstrom" <[REDACTED]> wrote:

That was not my question. They were at some higher number (2.16 or 2.17)? when they said that was their final offer. We discussed it in our last meeting. How much less is their current offer than that one?

Bruce

Sent from my Verizon Wireless 4G LTE smartphone

----- Original message -----

From: Bishop Woosley
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To: Bruce Engstrom
Cc: Smokey Campbell
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1. The Intralot contract shall be extend for three (3) years after current agreement expiration until August 14, 2019; and
2. Intralot will continue to be compensated at the rate of 2.45% of instant and on-line sales until July 1, 2015; and
3. Thereafter until the extension years expire on August 14, 2019, Intralot shall be compensated at the rate of 2.165% of instant and on-line sales; and
4. Intralot will provide a one-time marketing allowance of \$100,000.00 to be used by the ALC during the term of the agreement and its 3 year extension. Any funds not used at the expiration of the extension shall be forfeit; and finally
5. Intralot will continue to provide annually ,through the extension years, a \$25,000 commitment for System audit fees and a \$25,000.00 commitment for charitable contributions supported by the ALC.

This is a complete and an integrated offer. Counter proposal or rejection of any one or several terms constitutes a rejection of the entire offer.

Any term or condition not contained herein shall be deemed not included in this offer.

Best regards,
Tom

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