

Three and a half decades of deep experience guide the lottery industry through the challenges of today and drive innovation for a bright tomorrow

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PGRI INTRODUCTION: Rebecca's lottery career started in 1987 with her appointment to lead the Illinois Lottery. She then went on to start the Florida Lottery in 1989, the Georgia Lottery in 1993, and the Tennessee Lottery in 2003. Prior to her current positions, Rebecca gained national fame within the lottery community for operating lotteries in Illinois, Florida, and Georgia. She was first elected to president of the WLA in 2018 and re-elected for a second 2-year term in 2020. As we celebrate and contemplate the import of Women's History Month, we discuss the ongoing relevance of Women's Initiative in Lottery Leadership (WILL), the effective adaptation of the World Lottery Association (WLA) to new methods of operation for the unique circumstances of these times, and the resilience of government lotteries to fulfill its mission and commitment to serve society.

Paul Jason: This past October you were elected for a second term as WLA President. In spite of the inability to hold the bi-annual World Lottery Summit in Vancouver, the WLA has been active on many fronts. What would you consider the highlights of your first term of office?

Rebecca Hargrove: Let me start by thanking the members of the WLA for the honor of serving as president of this great organization. There were certainly some unexpected challenges in 2020 that continue today, but I am proud of how the organization and its members adapted during these times to serve their respective beneficiaries.

In particular, during the pandemic, the WLA committees have continued to work and meet virtually to support WLA

members. The committees have excellent leadership in Younes El Mechrafi, General Director of La Marocaine des Jeux et des Sports and chair of the Audit Committee; Lynne Roiter, President and CEO of Loto-Québec and chair of the Corporate Social Responsibility Committee; Dato Lawrence Lim Swee Lin of Magnum Corporation Sdn Bhd and chair of the Security and Risk Management Committee; Andreas Kötter, CEO of Westdeutsche Lotterie GmbH & Co. OHG and chair of the Illegal Lotteries and Betting Committee; and the immediate previous WLA president, Jean-Luc MonerBanet, Director General of the Societe de la Loterie de las Suisse Romande and chair of the newly formed Sports Betting Integrity Committee.

Under their direction, we're managing



to grow and strengthen involvement. The WLA Security and Risk Management Committee (SRMC) worked collaboratively with the US Multi-State Lottery Association (MUSL) to assist US lotteries looking to become WLA SCS (Security Control Standard) certified, something that is extremely relevant in today's world. Players have many choices in today's gaming world, and they need to know that the lottery brand stands for security and integrity. We will always work to be the best and safest gaming destination in the world.

In addition to the work of the committees, the Women in Lottery Leadership (WILL) program also continues to develop. I was very proud when I saw the North American Association of State and Provincial Lotteries (NASPL) had all female officers for the first time in its history. Coincidentally, that moment came on the same day as the 100th anniversary of the passage of the 19th Amendment to the U.S. Constitution, which guarantees a woman's constitutional right to vote, so that may have magnified my feelings. But that moment, in the midst of everything we're dealing with and working through with the COVID 19 pandemic, was a leap in the right direction. I've said it before – ensuring diversity and inclusion brings valuable depth to an organization. I am truly excited for what the future holds for our industry because of this effort.

The Tennessee Education Lottery (TEL) is one of a few state lotteries in America that acts as state regulator for sports betting. What are some of the challenges you've encountered so far?

R. Hargrove: The biggest challenge was the lack of a template to follow as we developed our rules and regulations. Tennessee allows interactive sports wagering only – meaning the placement of a wager only via the internet, a mobile device or other telecommunications platform. We don't have brick-and-mortar sportsbooks or casinos, and no other state had "online only" sports wagering. Other states with online wagering also had brick-and-mortar locations, so our processes had to be developed from scratch and completed.

What's one thing you'd like everyone to know about the sports betting industry in the U.S.?

R. Hargrove: To me, it's the variety of models of sports betting in jurisdictions across the U.S. In some states, lotteries have no role. In some, lotteries are both the operator and the regulator. In others, like Tennessee, you're the regulator but not an operator. In still others, the casinos have a role. The point is, there are very few apples-to-apples comparisons out there, so it's not easy to compare and contrast regulatory or market landscapes. That being said, we've worked diligently on our unique, online-only structure, when no other jurisdiction

is set up the way Tennessee is.

You mentioned COVID and the global pandemic. From your perspective, what are the lessons learned for lotteries during these difficult times?

R. Hargrove: Well, you kind of have to work backward from the particular lesson or lessons learned at each lottery because each lottery will have its own challenges based upon its jurisdiction. But what has shone through in 2020 at an industry-wide level is our enthusiasm to adapt and press on. The challenge will always be to stay creative and innovative, and bring new ideas to players. Industry organizations and others will need to remain engaged with members, bringing energy to sharing those ideas and best practices.

From the Tennessee Lottery perspective, our in-state games performed well. Anecdotal, we saw the number and mix of entertainment options in our border states shrink, and we think that we gained some new players or additional play from current players because of the limited options during lockdown.

As far as lessons learned, I wouldn't say it's a lesson learned but a lesson reinforced by the pandemic – how critical, how important it is to pay winners quickly.

When we switched to mail-in claims only at the end of March 2020, we made sure to note that drawings would continue as scheduled and instant ticket games will continue to be delivered to retailer locations. I can't say enough about our staff that stepped up and stepped in to help us keep paying claims. We were able to pay claims within 2-3 days of receiving them, which I think was a significant contributor to FY 2020 4Q being our best quarter ever.

That flexibility also extended to other facets of our business. We equipped our employees to work remotely. We took the necessary health and safety precautions. We modified retailer contacts by our sales representatives from in-person visits to phone calls. We shifted our advertising focus to recognize the unique times and celebrate our beneficiaries. We held virtual meetings, staggered our hours and ensured that we had product in the field.

But with all that, if tickets were going to be in the field and drawings held, winners needed to be paid in a timely fashion. Our

industry thrives on the fun of playing, and the fun of playing comes from potentially winning. So, if the fun of the game you play might be postponed or delayed for whatever reason, that strikes at the heart of why players play. To that end, we made a conscious effort to make sure we kept paying winners as quickly as possible.

Retail business took significant hits because of lockdowns while online sales performed well. Do you think consumers will return to normal in-store shopping habits?

R. Hargrove: Yes, players want to return to normal, but how we shop and how we get together are two behaviors that I think will be forever affected. Online market-share has gone up as consumers spend less time in public spaces like grocery stores, bars and restaurants. Some people who never ordered anything online before the pandemic began making more online purchases. People who already shopped online probably increased what they bought online. I do believe people want to "return to normal," but some behaviors adopted during this time period will become "normal."

We still do not have much visibility into the long-term impacts of the pandemic. Are you able to discern, even perhaps as speculation, other ways in which the post-pandemic world will be different because of the massive disruption caused by the COVID19?

R. Hargrove: After 2020, I think everyone should be wary of offering predictions. But what I look forward to most is continuing to watch this industry adapt and innovate on behalf of its benefactors. For us in Tennessee, as it did with everyone, the mission remained the same during COVID. The good causes we support continue regardless of the pandemic or economy. Every lottery has its own challenges based upon its jurisdiction, but what helped us keep going through 2020 was our openness to trying new ways of doing things and moving forward. The challenge, like I said, will be to stay innovative and develop new ideas. I'm confident this amazing industry will continue to rise to the occasion for the good causes it supports. ■