

## Lottery-game vendor gets 'racino' business

Tuesday, September 27, 2011

By [David Eggert](#)

Ohioans are closer to playing electronic slots at horse tracks now that lawmakers have OK'd letting the state's existing lottery-game vendor also monitor the slot machines for \$9 million over two years.

The state Controlling Board, a bipartisan panel of lawmakers that votes on major spending proposals, unanimously agreed to waive competitive bidding yesterday so Intralot Inc. can create a centralized system that tracks video lottery terminals.

Lottery officials said Intralot's system could be installed at racetracks in less than four months. If a competitor had been allowed to bid and had won the work, they said, the technology might not have been up and running for four more months, costing at least \$2 million a month in revenue.

"We do feel strongly that the contract overall is a good deal," lottery operations director Constance Miller told the Controlling Board. "Not only is the technology current, but the pricing is fair."

Liberal policy-research group Innovation Ohio accused the Kasich administration of rushing to choose Intralot when at least three other companies likely would have bid for the work.

"We see no reason why it is not in the best interest of the taxpayers to spend four months to conduct a thoroughly objective and competitive process and ensure the state is getting the best deal possible," the organization said in a news release.

Denying that the process was rushed, Miller said lottery officials have been evaluating their options for some time, and it's not uncommon in the gambling industry to change contracts to add new duties.

The Kasich administration essentially accepted Intralot's offer, first made in 2007, to handle "racino" slots if and when they came online in Ohio.

The state's contract with Intralot was first amended in 2009 so the company could develop a monitoring system for video lottery terminals. But the contract was never executed after then-Democratic Gov. Ted Strickland's plan to add slots at tracks ran into a legal challenge.

Republican Gov. John Kasich and legislators again approved slots at seven racetracks this year, though it remains unclear when the first track could have slots. Track owners must invest \$150

million into their “racinos” plus spend \$50 million on a license. Tracks may open temporary facilities at first.

Intralot, whose parent company is based in Greece, has U.S. headquarters in Georgia. Spokesman Byron Boothe said the company has about 200 employees in Ohio, both at a manufacturing plant in Mason and a data facility in Strongsville. At least 25 more workers would be hired because of the contract change, he said.

He described the monitoring system as “watchdog” technology.

“It not only monitors the machines, it keeps track of every wager,” Boothe said. “The state of Ohio will know real-time what’s going on with their system.”

Also yesterday, the Controlling Board approved \$7.7 million in lottery spending on outside gambling consultants and lawyers, and to add up to 40 staffers to work on the slots program.

**Original Article:**

<http://www.dispatch.com/content/stories/local/2011/09/27/lottery-game-vendor-gets-racino-business.html>