

TURNKEY iLOTTERY SOLUTION

SUBMITTED TO THE

WEST VIRGINIA LOTTERY

Toby L. Welch
Department of Administration, Purchasing Division
2019 Washington Street, East
Charleston, West Virginia 25305-0130

■

SUBMITTED BY

Scientific Games International, Inc.
1500 Bluegrass Lakes Parkway, Alpharetta, Georgia 30004

CONTACT PERSON

Amy Bergette
Vice President, Digital Content Studio
Tel: 404-434-2844/Fax: 678-393-3477/Email: amy.bergette@scientificgames.com

TECHNICAL PROPOSAL
Solicitation No.: CRFI 0705 LOT2200000001
September 24, 2021



September 24, 2021

Toby Welch
West Virginia Lottery
Department of Administration, Purchasing Division
2019 Washington Street East
Charleston, West Virginia 25305-0130

RE: RFI for iLottery Turnkey Solution

Dear Mr. Welch,

Scientific Games International, Inc. (Scientific Games) is pleased to submit the attached response for the Lottery's consideration for the West Virginia Lottery's RFI for iLottery Turnkey Solution, Solicitation No. CRFI 0705 LOT 2200000001.

With the introduction of iLottery, the West Virginia Lottery can become one of the most modern and successful lotteries in the world. Most importantly, you have positioned yourselves to drive significant additional revenue for your stated mission to maximize proceeds for the people of West Virginia. However, choosing the best solution, and the best partner, will determine whether the Lottery successfully takes advantage of this opportunity. Your goals of offering entertaining games for sale via the internet to build your player base, incent current players and retailers, and attract the next generation of players while continuing to maximize traditional lottery sales growth are attainable only with an experienced cross-channel lottery leader like Scientific Games.

A partnership with Scientific Games for iLottery offers the West Virginia Lottery a unique and potent value proposition that will maximize revenues, profits and playership in accordance with responsible gaming practices. Scientific Games has a proven track record of driving revenues and gross gaming revenue (GGR) in the first year of an iLottery operation with the most commercially successful launch of the Pennsylvania iLottery program. Key components of Scientific Games' iLottery program include:

- **Investment in Your Success** – We have taken the lead in the industry by significantly investing in iLottery technology, content, services, and staff to ensure continued advancements through the life of the contract.
- **High-Performing Content** – Our game content studios offer our customers an exclusive portfolio of high-performing digital content we know can outperform our competition. As one of the largest global distributors of regulated digital gaming content, we compete directly with some of the most successful game developers in the world and deliver superior results.
- **Largest Portfolio of Third-Party Content** – Our platform's extensive content library includes games from the top interactive game developers in the industry—independent game studios and our full-service competitors alike. The West Virginia Lottery will have immediate access to one of

the broadest and best-performing selection of games. No other supplier can offer this effective approach via such a powerful content aggregation solution and strategy.

- **Setting the Standard in Digital Gaming** – Our portfolio of digital products, technology and services enables us to add new products and features to existing programs and platforms seamlessly, as you need them. Scientific Games’ diverse portfolio of digital content includes loyalty rewards programs, second-chance promotional games, native mobile applications, and eInstant and eDraw games.
- **Complete Toolset** – The Lottery will receive our growing toolset, including our iLottery platform. At the core of our platform is a secure and reliable account-based wagering system. Our platform’s architecture enables the player account management (PAM) system and facilitates high-volume transaction management in heavily regulated jurisdictions, such as Pennsylvania. The platform includes out-of-the-box integrations with Scientific Games’ web and mobile portal product, as well as the business intelligence and reporting module.
- **Experienced Teams** – We are focused on innovating new products, processes and ideas. Our game studios, research and development labs, and lottery and gaming centers of excellence make us the leading supplier of digital gaming content and technology.

Scientific Games is committed to delivering innovative solutions with the highest integrity and security for the West Virginia Lottery. Our promotions and interactive platforms create new opportunities, help boost sales in your other product lines and enable expanded contributions to good causes. Along with our well-substantiated record of driving customer growth, Scientific Games brings the strength of having our own iLottery assets to deliver core technology and products in a unified product solution to the Lottery.

Thank you for the opportunity to present our RFI response. We are available at any time to answer your questions or provide any additional information you may require.

Sincerely,



Amy Bergette
Vice President, Digital Content Studio
Office: 404-434-2844
Email: amy.bergette@scientificgames.com



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia
 Centralized Request for Information
 Service - Prof

Proc Folder: 925378			Reason for Modification:
Doc Description: REQUEST FOR INFORMATION - iLottery Turnkey Solution			
Proc Type: Request for Information			
Date Issued	Solicitation Closes	Solicitation No	Version
2021-08-17	2021-09-10 13:30	CRFI 0705 LOT2200000001	1

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25305
 US

VENDOR

Vendor Customer Code:

Vendor Name : Scientific Games International, Inc.

Address : 1500 Bluegrass Lakes Parkway

Street :

City : Alpharetta

State : Georgia **Country :** U.S.A **Zip :** 30004

Principal Contact : John Schulz, Senior Vice President, Global Instant Products & Partner Services

Vendor Contact Phone: 678-662-3781 **Extension:**

FOR INFORMATION CONTACT THE BUYER
 Toby L Welch
 (304) 558-8802
 toby.l.welch@wv.gov

Vendor Signature X 

FEIN# 58-1943521 **DATE** 8/30/2021

All offers subject to all terms and conditions contained in this solicitation

ADDITIONAL INFORMATION

THE WEST VIRGINIA STATE PURCHASING DIVISION, ON BEHALF OF THE WEST VIRGINIA LOTTERY, IS ISSUING THIS REQUEST FOR INFORMATION ("RFI") FOR THE PURPOSE OF GATHERING INFORMATION TO ASSIST IN PREPARING SPECIFICATIONS FOR A COMPETITIVE SOLICITATION TO SECURE AN iLOTTERY VENDOR TO PROVIDE A TURNKEY iLOTTERY SOLUTION FOR THE WEST VIRGINIA LOTTERY. INFORMATION PROVIDED WILL ASSIST THE AGENCY IN DEVELOPING SPECIFICATIONS AND WILL ASSIST IN THE PROCUREMENT PROCESS. ADDITIONAL INFORMATION AS PROVIDED IN THE ATTACHED DOCUMENTS.

***QUESTIONS REGARDING THE SOLICITATION MUST BE SUBMITTED IN WRITING TO TOBY.L.WELCH@WV.GOV PRIOR TO THE QUESTION PERIOD DEADLINE CONTAINED IN THE SOLICITATION DOCUMENTS.

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	iLottery Digital Solution				

Comm Code	Manufacturer	Specification	Model #
43230000			

Extended Description:

iLottery digital turnkey solution

SCHEDULE OF EVENTS

<u>Line</u>	<u>Event</u>	<u>Event Date</u>
1	QUESTIONS DUE BY 4:00 P.M.	2021-08-31

	Document Phase	Document Description	Page 3
LOT2200000001	Final	REQUEST FOR INFORMATION - iLottery Turnkey Solution	

ADDITIONAL TERMS AND CONDITIONS

See attached document(s) for additional Terms and Conditions



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia
 Centralized Request for Information
 Service - Prof

Proc Folder: 925378		Reason for Modification:	
Doc Description: Addendum No. 1 - RFI for iLottery Turnkey Solution		Addendum No. 1 - To extend/ modify the opening date.	
Proc Type: Request for Information			
Date Issued	Solicitation Closes	Solicitation No	Version
2021-09-07	2021-09-24 13:30	CRFI 0705 LOT2200000001	2

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25305
 US

VENDOR

Vendor Customer Code:

Vendor Name : Scientific Games International, Inc.

Address : 1500 Bluegrass Lakes Parkway

Street :

City : Alpharetta

State : Georgia **Country :** U.S.A **Zip :** 30004

Principal Contact : John Schulz, Senior Vice President, Global Instant Products & Partner Services

Vendor Contact Phone: 678-662-3781 **Extension:**

FOR INFORMATION CONTACT THE BUYER
 Toby L Welch
 (304) 558-8802
 toby.l.welch@wv.gov

Vendor Signature X  **FEIN#** 58-1943521 **DATE** 9/8/2021

All offers subject to all terms and conditions contained in this solicitation

Date Printed: Sep 7 2021 Page: 1 FORM ID: WV-PRC-CRFI-002 2020/05

ADDITIONAL INFORMATION

Addendum No. 1 is issued for the following reasons:

- 1) To extend the Opening date to 9/24/21 so the technical team has more time to respond and answer the submitted questions submitted by the vendors.
-no other changes-

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	iLottery Digital Solution				

Comm Code	Manufacturer	Specification	Model #
43230000			

Extended Description:
iLottery digital turnkey solution

SCHEDULE OF EVENTS

<u>Line</u>	<u>Event</u>	<u>Event Date</u>
1	QUESTIONS DUE BY 4:00 P.M.	2021-08-31

SOLICITATION NUMBER: CRFI LOT2200000001

Addendum Number: 1

The purpose of this addendum is to modify the solicitation identified as ("Solicitation") to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid-opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

Addendum No. 1 is issued for the following reasons:

- 1) To extend the opening date to allow more time for the committee to answer vendor's questions.

--no other changes--

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

ATTACHMENT A

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: CRFI LOT22000000

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|--|--|
| <input checked="" type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Scientific Games International, Inc.

Company

Authorized Signature
September 8, 2021

Date

NOTE: This addendum acknowledgment should be submitted with the bid to expedite document processing.
Revised 6/8/2012



Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

State of West Virginia
 Centralized Request for Information
 Service - Prof

Proc Folder: 925378		Reason for Modification:	
Doc Description: Addendum No. 2 - RFI for iLottery Turnkey Solution		Addendum No.2 is issued to publish a copy of the vendor's questions with answers/ responses.	
Proc Type: Request for Information			
Date Issued	Solicitation Closes	Solicitation No	Version
2021-09-09	2021-09-24 13:30	CRFI 0705 LOT2200000001	3

BID RECEIVING LOCATION

BID CLERK
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION
 2019 WASHINGTON ST E
 CHARLESTON WV 25305
 US

VENDOR

Vendor Customer Code:

Vendor Name : Scientific Games International, Inc.

Address : 1500 Bluegrass Lakes Parkway

Street :


City : Alpharetta

State : Georgia **Country :** U.S.A. **Zip :** 30004

Principal Contact : John Schulz, Senior Vice President, Global Instant Products & Partner Services

Vendor Contact Phone: 678-662-3781 **Extension:**

FOR INFORMATION CONTACT THE BUYER
 Toby L Welch
 (304) 558-8802
 toby.l.welch@wv.gov

Vendor Signature X 

FEIN# 58-1943521 **DATE** 9/9/2021

ADDITIONAL INFORMATION

Addendum No. 2 is issued for the following reasons:

1) To publish a copy of vendor's questions with responses/answers.

-no other changes-

Line	Comm Ln Desc	Qty	Unit Issue	Unit Price	Total Price
1	iLottery Digital Solution				

Comm Code	Manufacturer	Specification	Model #
43230000			

Extended Description:

iLottery digital turnkey solution

SCHEDULE OF EVENTS

<u>Line</u>	<u>Event</u>	<u>Event Date</u>
1	QUESTIONS DUE BY 4:00 P.M.	2021-08-31

SOLICITATION NUMBER: CRFI LOT2200000001

Addendum Number: 2

The purpose of this addendum is to modify the solicitation identified as (“Solicitation”) to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

Addendum No. 2 is issued for the following reasons:

- 1) To publish a copy of vendor's questions with responses/answers.

---no other changes---

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

ATTACHMENT A

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: RFI LOT220000001

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|--|--|
| <input type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input checked="" type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Scientific Games International, Inc.

Company



Authorized Signature

September 9, 2021

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.

Revised 6/8/2012

CRFI LOT2200000001

iLottery Turnkey Solution

Q.1. Per 4. Response Submission and Format, would the Lottery please reconsider allowing Vendors the option to submit responses by email which is standard across the industry for requests of this nature? We also request that the Lottery notify Vendors of their decision on this matter as soon as possible as courier delivery can take several days and therefore impacts response timelines

A.1. It is the policy of the WV State Purchasing Division to not accept email submissions. The Lottery has extended the response due date to give more time to vendors.

Q.2. Can the Lottery please confirm if Vendors are required to complete the 'Vendor' information section on page 1 and 2 of the RFI and return a signed copy along with the RFI response? a. If Vendors are required to complete the form, please confirm which areas of the form need to be filled out? b. We understand that the RFI response must be no more than 50 typed pages, if Vendors must submit page 1 and 2 of the RFI, does it count against the 50-page maximum? c. If Vendors are required to submit page 1 and 2 of the RFI, what does Specification and Model # refer to on page 2?

A.2. Yes, see following.

- a. Vendor should complete the vendor section on page 1 (disregard the vendor customer code) and sign the bottom of page 1.
- b. Page 1 and 2 do **NOT** count toward the 50 page limit for responses.
- c. Page 2 does not need to be completed.

Q.3. Please confirm that any recording and/or material associated with the vendor meetings that may be scheduled during the week of October 4th will *not* be made public?

A.3. All RFI responses will become public record after the solicitation closes. There will be no audio or video recordings made of the vendor presentations or materials. However, that does not prevent materials furnished as responses to the RFI from becoming public record once the solicitation for responses closes.

Q.4. Do you have a target timeframe for any potential solicitation, or will next steps depend more upon the responses and demonstrations from vendors?

A.4. The Lottery does not have a definitive timeframe for solicitation. Information is being requested to be proactive pending possible Legislative Rule changes currently before the Legislature. The Lottery does not anticipate any timeline being modified based upon RFI responses.

CRFI LOT2200000001

iLottery Turnkey Solution

Q.5. Will the Lottery please specify the number of hard copies they require to be delivered to the Purchasing Division.

A.5. One (1) hard copy provided a digital file is also provided. If a digital file is not provided, an additional eight (8) copies will be necessary (9 total).

Q.6. Can the Lottery please confirm what is currently allowed per statute and or rules/regulations regarding the Lottery's ability to sell games via the internet, including scratch-offs (eInstants), draw games, keno and any additional games and if any future legislation is needed in order for the Lottery to launch of full suite of games via the internet/mobile?

A.6. Current West Virginia law supports The Lottery's ability to offer a full suite of games via the internet/mobile platform. However, Legislative Rule changes are being currently proposed, and will be necessary, for the 2022 Legislative Session to allow the financial transactions necessary to support this update in selling traditional lottery products over the internet/mobile application.

Q.7. Can the Lottery please provide details on the current limitations in place as it pertains to iGaming activities, i.e., payouts, responsible gaming, types of games permitted.

A.7. The interactive wagering rule can be reviewed at 179 CSR 10 for requested information. Such rule sets forth guidelines for responsible gaming, cooling off periods, self-exclusion from wagering applications, etc. The Lottery is looking to engage players with draw games, eScratch, associated promotions, and limited payouts for mobile and traditional platforms. The lottery will be only selling games of chance, not skill. The Lottery will also engage a responsible gaming program consistent with the Lottery's practice since inception. The West Virginia Lottery remains one of few jurisdictions that funds responsible gaming programs throughout the state and a responsible gaming platform remains important to the West Virginia Lottery.

Q.8. Can the Lottery share any information about current digital engagement programs such as features of the existing player's club, size of addressable marketing lists, monthly active users, mobile app logins, as well as any CRM or player messaging information (number of players subscribed to email, volume of emails sent out per month or per year).

A.8. The Lottery has limited engagement with players. The player's club is currently only used for winning numbers and monthly and ad hoc emails. There are approximately thirteen thousand registered in the player's club. We currently send out daily winning numbers emails as well as monthly new game announcements and promotion announcements. We also have nearly 75,000 Facebook followers. We do not have an active mobile app user count as it does not require registration and is for information, play slip generation, and ticket checking.

Q.9. For the signature document on page 1 of the RFI, does the Lottery require an original signature?

A.9. No.

CRFI LOT2200000001

iLottery Turnkey Solution

Q.10. What is the Lottery's approach to responsible gaming and how has the Lottery implemented its responsible gaming policies and procedures to date?

A.10. The West Virginia Lottery takes responsible gaming very seriously. The Lottery uses various iterations of the following message on all of its traditional tickets and marketing material.

"If you, or someone you know, needs help, please call the Problem Gamblers Help Network of West Virginia Helpline at 1-800-426-2537. You can also call the National Problem Gambling Helpline at 1-800-522-4700. Affected West Virginia players can then access comprehensive problem gambling assistance."

Additionally, the West Virginia Lottery remains one of the few state lotteries to generate revenue for gambling assistance and responsible gambling programs throughout the State.

Current proposed changes in the Traditional Lottery Rule (179 CSR 1), if approved by the legislature, will require any iLottery vendor to provide the following as a part of its turnkey approach to offering iLottery products on behalf of the West Virginia Lottery:

A iLottery gaming system shall provide the following:

Mechanisms enabling patrons to implement limits on gaming, including, but not limited to, a specific mechanism by which a patron can suspend play for a period time, also known as a "cool-down" period;

A mechanism that allows for a patron to self-exclude from play on the iLottery gaming system.

Q.11 What is the Lottery's general view on the Wire Act and, in the potential RFP, the physical location of any data centers for processing iLottery transactions?

A.11. Consistent with Lottery's position as stated in its interactive wagering rule, the Lottery desires that the bet server (defined as Remote Gaming Server or "RGS" in the interactive wagering rule) and the wallet be located within the boundaries of the state of West Virginia.

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Scientific Games is concerned about the environment and makes sure we use paper stock from vendors that participate in the Sustainable Forestry Initiative and the Forest Stewardship Council, ensuring that the paper we use comes from managed forest resources. That concern extends to our proposals, which are printed on recyclable paper. We encourage recipients to recycle all applicable materials.

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1. | Statement of Need

1.1.1 Turnkey Digital Solution

Discussion of how the vendor's turnkey digital solution provides ilottery i-scratch, draw games and draw game subscriptions.

At the core of our solution is our iLottery platform, centered around a secure and reliable account-based wagering system. Our iLottery platforms facilitate high-volume transaction management in heavily regulated jurisdictions, such as Pennsylvania, North Dakota, and the Atlantic Provinces of Canada. We offer a complete turnkey solution with proven capabilities to deliver the online solutions and services the West Virginia Lottery will need to ensure a successful program. As the Lottery considers a future RFP for an iLottery solution, it will be imperative to consider and require a flexible, scalable and highly secure solution.

Our iLottery solution provides a feature-rich, flexible, interoperable, robust, and proven online gaming platform. From ensuring a draw services component that complies with Multistate Lottery Association (MUSL) guidelines, to an extensive library of i-scratch content, combined with a multitude of payment solutions and responsible gaming features, we not only have the right combination of components, but we offer the ability to successfully launch and immediately grow the iLottery business. Our iLottery solution administers player account information and other operational functions of the iLottery system (e.g., promotions, financial transactions, player account settings, player wagering and win history, claims functions, responsible gaming controls). Employees of the Lottery and Scientific Games can access the system via web, and we will populate it with near-real-time data.

The platform's open architecture enables the player account system to be flexible and scalable based on our customers' needs. Our iLottery platform includes out-of-the-box integrations with the following Scientific Games modules, which we describe further in the following list and can combine to offer a full iLottery turnkey solution to meet the needs of the West Virginia Lottery:

- **iLottery Portal** – The iLottery portal is the player-facing gateway to the iLottery program. A complete, out-of-the-box solution, it makes for efficient deployment where speed to market is paramount. A best-in-class content management system (CMS) controls all content within the template user interface. This content includes page content, graphics and videos, error messaging (including language translations), and interactive and dynamic page elements.
- **Business Intelligence and Reporting Module** – Our data warehouse solution, which sits over the platform, handles our operational reporting, data integration for third parties and basic ad hoc reporting.
- **Aggregation Platform** – The aggregation platform allows Scientific Games to bring content as part of the iLottery platform that we can fully integrate with the account platform. This component provides the interface between many external digital game providers and the iLottery platform, allowing the Lottery to integrate multiple third-party game providers without the need to make customizations within the core player account system.

- **iLottery Draw Service** – This service facilitates the sale of traditional draw-based games in the digital world and includes support for subscription-based sales. We specifically designed this decoupled solution to comply with the most recent MUSL Rule 2 regulations to do with registered play. We primarily use this solution for iLottery, but the Lottery could use it to support in-lane sales, paperless tickets or almost any other scenario where we do not have a physical paper-bearer instrument. We can then implement it to interface with the West Virginia Lottery’s retail gaming system, as well as a separate, decentralized host gaming system we could ultimately provide.
- **iLottery Host Gaming System** – This system serves as the system of record for ticket sales and performs drawings. We built it on the same technology stack as the host gaming system that multiple Scientific Games customer lotteries currently use in the U.S., and we specifically designed it to support the internet channel. Scientific Games successfully developed this decentralized host system approach for iLottery at both the North Carolina Education Lottery and the Minnesota Lottery back in 2013. Our approach ensured a lottery-grade, secure solution, built on years of expertise. Our solution has evolved extensively to meet the market demands and expected player experience necessary to grow as the Lottery’s needs grow.

Key Takeaways

As the West Virginia Lottery considers your requirements for a future RFP, it is critical to ask for not only the right experience, but an evolving lottery-grade, highly secure solution. This solution should include effective components, exceptional game content, retention and acquisition marketing tools and the core expertise necessary to implement and drive a successful iLottery business. And it should do so while maintaining the growth of the current brick-and-mortar gaming programs you manage. We encourage you to consider a vendor’s ability to deliver omnichannel expertise, so that rising tides lift all ships, as part of your core requirements for any partnership.

1.1.2 Purchase and Prize Payment Services

Details from the vendor regarding the comprehensive purchase and prize payment services they offer for ilottery.

Minimum Purchases and Deposits

The Lottery should require a solution to provide the best possible transaction threshold for completing a purchase or deposit. To ensure players can effectively fund their wallets and withdraw winnings, the Lottery should consider key capabilities as you work toward future requirements. In this section, we state the minimum allowable transaction amount to transfer external funds into a wagering account. The system will be able to adjust minimum (and maximum) purchase and deposit amounts.

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We can make the minimum transaction amount \$1 but would advise the Lottery to consider a higher amount due to the transaction fees associated with such a low amount.

Limits on Transactions Funding Player Accounts

The limits on transactions funding player accounts are configurable by payment provider, payment method, currency and transaction type. The limits we can apply are:

- Maximum transaction value, per transaction
- Minimum transaction value, per transaction
- Daily maximum transaction value
- Weekly maximum transaction value
- Monthly maximum transaction value

We set the time periods for the above maximum value limits in calendar days. If we set this period to one, the previously listed maximum value limits are daily limits.

Back office data on transaction limits on funding player accounts is shown in **Figure 1-1**.

Limits Configuration														
Provider	All	Trans Type	All	Config	All	Currency	ALL	Method	All					
Provider	Config	Method	TransType	Currency	MinAmount0	MaxAmount0	MinAmount1	MaxAmount1	MinAmount2	MaxAmount2	PeriodInDays	MaxAmountPerTrans	DaysToClear	
Admin	Default	Cash	Deposit	USD	20.00	2,000.00	20.00	2,000.00	20.00	2,000.00	1	2,000.00	0	
Admin	Default	Cash	Withdraw	USD	0.01	1,000.00	0.01	1,000.00	0.01	1,000.00	1	1,000.00	0	
CashLine	Default	BankTransfer	Deposit	USD	0.00	999,999,999.00	0.00	999,999,999.00	0.00	999,999,999.00	1	999,999,999.00	0	
CashLine	Default	BankTransfer	Withdraw	USD	0.00	999,999,999.00	0.00	999,999,999.00	0.00	999,999,999.00	1	999,999,999.00	0	
Cheque	Default	Cheque	Deposit	USD	15.00	15,000.00	15.00	15,000.00	15.00	15,000.00	1	3,000.00	0	
Cheque	Default	Cheque	Withdraw	USD	300.00	15,000.00	300.00	15,000.00	300.00	15,000.00	1	3,000.00	0	
Mazooma	Default	Banktransfer	Deposit	USD	15.00	15,000.00	15.00	15,000.00	15.00	15,000.00	1	3,000.00	0	
Netbanx	Default	Banktransfer	Deposit	USD	10.00	15,000.00	10.00	15,000.00	10.00	15,000.00	1	3,000.00	0	
Netbanx	Default	Banktransfer	Withdraw	USD	10.00	7,500.00	10.00	7,500.00	10.00	7,500.00	1	3,000.00	0	
Netbanx	Default	CC	Deposit	USD	0.00	15,000.00	0.00	15,000.00	0.00	15,000.00	1	3,000.00	0	
Netbanx	Default	Cheque	Deposit	USD	15.00	7,500.00	15.00	7,500.00	15.00	7,500.00	1	3,000.00	0	
Netbanx	Default	Cheque	Withdraw	USD	300.00	7,500.00	300.00	7,500.00	300.00	7,500.00	1	3,000.00	0	
Offline	Default	Cage	Deposit	USD	10.00	10,000.00	10.00	10,000.00	10.00	10,000.00	1	2,500.00	0	
Offline	Default	Cage	Withdraw	USD	10.00	10,000.00	10.00	10,000.00	10.00	10,000.00	1	2,500.00	0	
OptimalNeteller	Default	Neteller	Deposit	USD	10.00	15,000.00	10.00	15,000.00	10.00	15,000.00	1	3,000.00	0	
OptimalNeteller	Default	Neteller	Withdraw	USD	10.00	15,000.00	10.00	15,000.00	10.00	15,000.00	1	3,000.00	0	
PayNearMe2	Default	Cash	Deposit	USD	15.00	15,000.00	15.00	15,000.00	15.00	15,000.00	1	3,000.00	0	
PayNearMe2	Default	Cash	Withdraw	USD	15.00	15,000.00	15.00	15,000.00	15.00	15,000.00	1	3,000.00	0	
Paypal	Default	Paypal	Deposit	USD	15.00	15,000.00	15.00	15,000.00	15.00	15,000.00	1	3,000.00	0	
Paypal	Default	Paypal	Withdraw	USD	15.00	15,000.00	15.00	15,000.00	15.00	15,000.00	1	3,000.00	0	
Sightline	Default	Sightline	Deposit	USD	10.00	15,000.00	10.00	15,000.00	10.00	15,000.00	1	3,000.00	0	
Sightline	Default	Sightline	Withdraw	USD	10.00	15,000.00	10.00	15,000.00	10.00	15,000.00	1	3,000.00	0	

Figure 1-1: Example of Limits on Transactions Funding Player Accounts Screen

We can also configure the transaction velocity at a system level. For each payment method, we can configure the maximum number of transactions in a specified time period in seconds, as shown in **Figure 1-2**.

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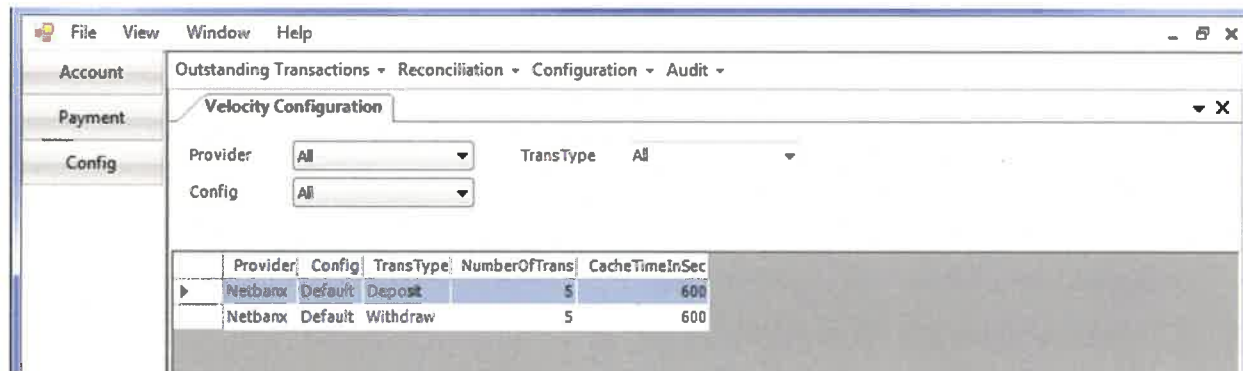


Figure 1-2: Example of Transaction Velocity Configuration Capabilities Screen

It is also possible to define some payment limits at a customer level in the back office, as shown in **Figure 1-3**.

Immediate Prize Payments for Low-Value Prizes

The system should have capabilities to issue immediate prize payment to a player without any manual intervention.

For prizes that are lower than the lowest tax threshold set in the system, our system automatically credits them to the player account when it receives the resulting transaction from the game or draw server. This process requires no manual intervention before the system credits the account.

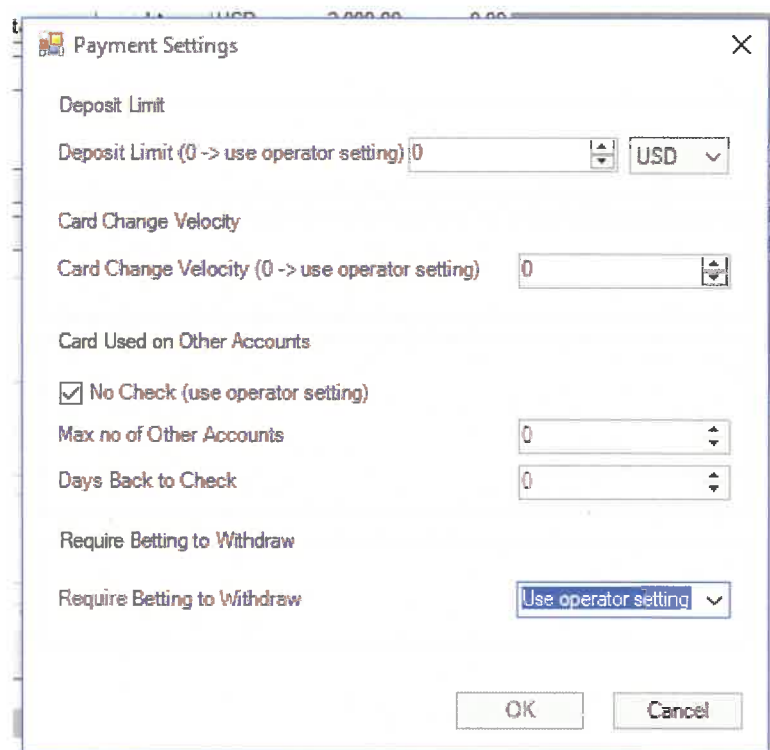


Figure 1-3: Sample Screenshot of Payment Limit Definition Capabilities

Large Prize Thresholds

The program moves prizes equal to or greater than \$600, the Lottery's low-value prize threshold, into a pending status that requires further processing by the Lottery.

We would provide payments for all high-tier prizes upon the player acknowledging the prize and processing the payment for legally mandated offsets, as we describe in the following pages. As an example, the Lottery could consider any prize greater than \$600 a high-tier prize. We segregate the high-tier prize from the player's available wagering funds to allow time for processing the legally mandated offsets. We then release any available funds to the player after performing offsets and tax withholding.

1.1.3 iLottery Payment Solutions

Discussion of iLottery payment solutions including credit and debit cards, ACH, eWallet, online payment mechanisms such as PayPal, and retail-based online game cards.

An important aspect of any iLottery platform is providing players access to multiple payment providers by which they can deposit money into and withdraw money from their iLottery accounts.

The Lottery needs to understand with which payment providers a vendor has integrated in other, similar projects and with what providers a vendor could integrate. For West Virginia players to have the widest array of payment options, the Lottery should understand any limitations regarding the ability to deposit and withdraw funds to the same or different payment providers. Scientific Games' solution can integrate with multiple payment providers.

Another important aspect of an iLottery platform involves the operational processes vendors use to securely handle the proper transfer of player funds and how to detect and prevent fraud, money laundering or other improper transfers. We recommend that the Lottery also seek a solution with a method by which players whose financial institutions do not support or allow iLottery transactions can still fund their accounts.

Payment Processing

A successful iLottery solution should provide all necessary components and services to accept players' financial transactions and issue players' financial payments. Scientific Games' iLottery platform currently supports many third-party payment processors and funding sources.

The Lottery should provide multiple payment processors who support deposits as well as withdrawals (financial transactions to and from the player account) via configurable rule sets that enable and disable deposits and withdrawals, as well as set limits and restrictions on the transaction types available.

Integration Capabilities

The Lottery should expect a solution that a vendor has previously integrated with a wide array of global payments services, with the ability to add new suppliers quickly and easily with no disruption to operations. Scientific Games' iLottery platform currently integrates with a range of methods, including card-based payments, cash and cash substitutes, bank-based payments, and offline payments.

The Lottery may like to understand how a vendor ensures the security and integrity of players' cardholder and account data, facilitates the rapid and flexible integration with numerous payment methods, and guarantees a robust and consistent payments ecosystem spanning both iLottery and traditional retail lottery channels. Scientific Games offers an industry-leading payment gateway to meet this requirement to the furthest extent possible.

Limitations with Payment Methods

The Lottery should understand any limitations to a player's ability to deposit or withdraw, which depends on a number of factors. All players must complete the necessary know-your-customer (KYC) processes before the system will complete a deposit or withdrawal. A deposit or withdrawal may not

be available because of an anti-money-laundering (AML) or fraud condition that an individual payment processor detects. Finally, a given payment processor may not support certain transaction types, e.g., withdrawals, either generally or specifically within the iLottery space. Scientific Games' iLottery platform and banking services can support withdrawal of player funds to all payments methods where not limited or prevented by these conditions.

Fraud Prevention and AML

The Lottery should seek to understand what specific steps a vendor takes to prevent cybercrime, starting with online registration processes such as initial player screenings, authentication and verification, as well as what steps the vendor takes if players do not pass automated KYC.

A successful iLottery platform should have specific anti-fraud measures in place for deposits and chargeback risk, card fraud and money laundering, shared IP addresses, responsible gaming, identity theft, and withdrawals.

Additionally, a successful iLottery system would allow the Lottery to specify payment limits to deter possible fraudulent payment activity. The system's payment limits would be configurable by payment provider, payment method, currency and transaction type.

Scientific Games' fraud prevention and anti-money-laundering program compliance and security programs form the foundation of an iLottery platform. This foundation of trust enables a vendor to build trust with the Lottery, who in turn can build trust with their players.

iLottery platforms should always seek outside validation and certification of risk management processes, procedures, and technology. Scientific Games views risk management as an ongoing process. Our Compliance and Security departments regularly review risk factors and indicators that could affect our company and the lottery and gaming industries. Testing and certification is available from normal lottery industry certification bodies, as well as the U.S. Department of Justice (DOJ), the Financial Crimes Enforcement Network (FinCEN) and the U.S. Securities and Exchange Commission (SEC), which have all published best practices to which Scientific Games stringently adheres.

In addition, it would also be useful to know what steps a vendor is taking to comply with the Anti-Money-Laundering/Combating the Financing of Terrorism (AML/CFT) program to address the constantly changing strategies of money launderers, organized crime and terrorists who attempt to gain access to the U.S. financial system, as well as to protect against fraudulent activities and terrorist financing.

Lottery Retailer Funding for iLottery

Innovation is a critical factor in seeking the most successful iLottery platform and vendor. The Lottery will want to seek a vendor with a strong record of innovation and an iLottery platform with innovative payment products and services that seek to grow the lottery payments ecosystem by seamlessly integrating iLottery with retail lottery. One such recommended innovation is linking the retail world and iLottery by allowing players to purchase "deposit vouchers" at retail locations that they can redeem on iLottery as a funding type.

This funding option is specifically for iLottery gameplay. The Lottery would sell the voucher in the form of a paper ticket, at a retailer terminal, with monetary value. Players would then redeem

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the voucher ticket value by scanning the 2-D barcode via a mobile app or manually entering the voucher number on the iLottery website to fund their iLottery gameplay. We recommend that the Lottery seek a partner who can integrate with the current Lottery central gaming system (CGS) provider to sell iLottery deposit vouchers.

Payments Operating Expenses

Operational expenses for payment processing and associated operations are typically one of the largest line item operating costs of an iLottery program. In many U.S.-based iLottery programs, lotteries often require iLottery platform suppliers to absorb these payment costs within a fee structure based on sales or revenues.

We encourage lotteries to consider allowing suppliers to propose pricing with the flexibility to pass through costs associated with payments, for the following reasons:

- It allows greater pricing transparency between parties for all aspects of the program operation.
- Different payment methods have different costs, and there are opportunities for lottery operators to influence players to adopt more cost-efficient methods, which can materialize as impactful cost savings over the life of the contract (versus a flat or static rate).
- It keeps incentives aligned between Lottery and supplier to best collaborate on what payment options to provide to players and associated funding parameters.
- The Lottery still benefits from the volume-based cost savings of payment fees enjoyed by suppliers, as well as the streamlined operational efficiencies.

1.1.4 Contract Staffing

Suggestions from vendor regarding contract staffing for iLottery and what configurations have been successful in other jurisdictions.

As you search for your iLottery partner, be sure to evaluate each vendor's depth of experience and resources, specifically those dedicated to the continuous support and performance of West Virginia's iLottery program.

Scientific Games has some of the most experienced and talented personnel in the lottery industry to support you and your whole business. When selecting your vendor, understanding the expertise of the resources that will ensure your iLottery program's profitability is key to a successful program. Not unlike with your traditional lottery business, you need expertise across product verticals to guide decisions on content, digital marketing techniques and engagement to drive player activity in the digital ecommerce world.

In addition to the staff and expertise your selected vendor will provide, the Lottery needs dedicated staff to monitor and operate the iLottery business, as the key to success is a fast-moving, ever-evolving program that changes daily with new promotions and content, customer relationship management (CRM) digital messaging and platform releases (payment providers, product enhancements and technology upgrades). To become relevant with your lottery brand in the digital space, where consumers are inundated with constant messaging, promotions, and coupons that drive their

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behavior and spend, you need an experienced team to cut through the noise and deliver relevant content and distinct promotions to your West Virginia Lottery players that attract and retain your player base, which ultimately drives sales and year-over-year revenue growth.

At Scientific Games, not only are our resources iLottery gaming experts, they are industry experts with an extensive knowledge of all the multi-line product verticals required to support and maintain West Virginia's iLottery program.

We are proud of the strategic vision, creativity and work ethic our team represents and know they will provide the Lottery with exceptional service and support to ensure year-over-year growth. In addition to bringing a dedicated iLottery team, we can provide extensive resources to support every facet of your business. From project management to customer support to website security, we have the right people in place across our organization to partner with the West Virginia Lottery. We spread our teams across our organization purposefully, with multiple touchpoints within the iGaming industry, so that we can provide our customers with the latest and greatest trends and insights that come from serving customers all across the globe.

Scientific Games continuously provides best-in-class staff in the following areas:

- Executive Steering Committee
- Account Management
- Program Management
- Project Management
- Content
- Game Designers
- Game Producer
- Mathematicians
- Digital and Growth Marketing
- Design and User Interface/User Experience (UI/UX)
- Account and Finance
- Web Security
- Legal
- Product and Technology Teams



Key Takeaways

As the West Virginia Lottery enters into an iLottery program and develops requirements for it, one of your principal considerations should be the staffing expertise required to run a successful iLottery program. In addition to bringing on talent at the Lottery in the digital space, we recommend that the Lottery seek a vendor-partner, as part of the RFP process, that brings resources with significant iLottery and online gaming experience across multiple disciplines.

1.1.5 Digital Advertising/Marketing Offerings

Information regarding what type of digital advertising/marketing offerings would be provided by the vendor.

Marketing and Promotions (Including Retail Promotions)

Scientific Games provides full-service, turnkey marketing operations solutions with a dedicated Growth Marketing team of iGaming experts knowledgeable of the Lottery's future iLottery product and players.

Strategic services under the purview of the Growth Marketing team include:

- Acquisition Marketing
- Paid Media
- Conversion Strategies
- Affiliate Programs
- Retention Marketing
- CRM
- Promotions and Bonusing
- Cross-Selling Initiatives
- Content Management
- Loyalty and VIP Program

Acquisition Marketing

To optimize iLottery acquisition performance, lotteries must rely on iLottery subject matter experts to drive results-oriented acquisition programs. As such, Scientific Games strongly recommends that the Lottery fully entrust to us the stewardship of the paid media budget you allocate for iLottery acquisition.

The growth of any iLottery program depends upon robust, efficient, and measurable acquisition results, especially in jurisdictions with competitive iGaming markets. To drive optimal results, acquisition experts from the iLottery field must drive strategy and execution. Reliance on nonspecialized advertising agencies has been shown to deliver poor acquisition results, which are immensely damaging to iLottery programs.

Scientific Games is prepared to provide acquisition marketing strategy and execution in several ways, both with in-house resources and in partnership with industry-leading vendors such as Income Access, to deliver a best-in-class, unified iLottery acquisition strategy covering all acquisition channels from end to end. This model best reflects the tried-and-true acquisition strategies of more mature online gambling markets.

Paid Media Strategy

The paid media acquisition strategies we lead are based on the following pillars:

- **Optimal Paid-Media Digital Marketing Mix** – Allocating spend across top-performing, performance-based channels. In the current climate, these channels include social, search and display.
- **Data-Driven Campaign Optimization** – Using industry-leading attribution software. Such software includes relentless multivariant testing of creatives, messaging and incentives across

multiple channels. We would supplement it with troves of player-level data that we can use to customize lookalike audiences and retargeting efforts.

- **Organic Growth Opportunities** – Implementing search engine optimization (SEO) and App Store optimization (ASO) best practices, stewarding your App Store presence, and driving player referral and brand advocacy programs underpinned by automated incentive programs.

Conversion Strategies

Scientific Games' Growth Marketing team provides expertise to optimize the full conversion of new registrants to revenue-generating depositors. This strategic service supplements the industry's leading iGaming portal solution, which uses best practices geared toward the optimization of conversion metrics. The Lottery should partner with a vendor who can convert your loyalty program players into iLottery players. You should consider all aspects of the player's experience, starting with the onboarding stage. Between 80% and 90% of players who attempt KYC verification automatically pass. For those who do not, we build automated workflows of messaging and incentives to target such players and move them toward account verification. Our solution for this registration process minimizes negative impact on players and prevents player drop-off.

Affiliate Program

A robust affiliate marketing program is critical to the success of any iLottery operator. An affiliate is a third-party marketer paid on performance for referring customers. Traditionally, they are digital marketing professionals—but an iLottery program will want to build both online and retail affiliate networks to maximize the State's profits and extend incentives to retail partner networks to drive customers to iLottery.

Two common methods structuring incentive packages to affiliates are revenue-sharing deals and cost-per-acquisition (CPA) deals. Hybrid deals combining the two are also possible, although less frequently seen in the market. For example, an iLottery program may choose to offer an affiliate a 20% share of net gaming revenue generated by referred players for the next two years. Or, using a CPA model, a program may choose to reward retail affiliates with \$50 for each new registrant who makes a first-time deposit. An operator may choose to offer affiliates a choice between two or more incentive packages, or they can negotiate ad hoc bespoke deals with larger affiliate partners.

An iLottery operator should also have the functionality to offer affiliates the opportunity to give players exclusive enhanced incentives. For example, perhaps your iLottery website offers all new players a \$5 bonus when signing up for a new account. A retail affiliate partner should have the flexibility to offer their players something better, such as a \$20 bonus when using their affiliate code at signup. The affiliate platform and the iLottery bonusing engine must be fully integrated to both track attribution and trigger bonusing simultaneously.

Scientific Games is the only company with experience building and stewarding successful online and retail affiliate marketing programs. Our in-house marketing team has built and continues to operate the only statewide retail affiliate network in the country in support of the Pennsylvania iLottery program. The first-year performance of that state's online affiliate program outperformed similar affiliate programs for the Michigan iLottery and the New Jersey online casinos by up to 10-to-1 margins on measurements of registrations, depositors, and net gaming revenue over similar time periods.

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We have extensive experience partnering with affiliate marketing platforms—to facilitate affiliate marketing programs across the world. Our partnerships provide turnkey affiliate program management, including new player tracking, campaign management, reporting and payments. The technology is web accessible by operators, retail partners and marketing agencies, providing total transparency with each affiliate or retailer able to set their own login details to access the back office.

Retention Marketing

Retention marketing strategies for iLottery are highly specialized and much more aggressive than direct marketing efforts for traditional lottery—they require lotteries to think differently. Critical to success is having the right software tools and the best strategic team.

Scientific Games' Growth Marketing team supports the iLottery program's retention marketing efforts by leading strategy and execution of CRM programs, promotions and bonusing, and content management. Robust loyalty and VIP player programs also bolster retention efforts.

Customer Relationship Management

The Lottery should consider partnering with a vendor that provides CRM expertise and operations management with turnkey, full-service solutions provided by a Growth Marketing team of retention marketing experts. This service includes implementing and managing an industry-leading CRM software solution. Using the extensive information in the data warehouse, the Lottery can create custom behavioral-based, automated, scheduled, and ad hoc communications for loyalty and iLottery players via player preferred channels, including email, rich inbox, app push, in-app popups and SMS/MMS. Deploying an omnichannel player messaging strategy will help the Lottery reach the right player, at the right time, on the right channel, with the right incentive.

Using an omnichannel marketing approach on a best-in-class CRM platform will enable the Lottery to reach customers on their favorite channels while realizing marketing goals set by a collaboration between the Lottery and the Growth Marketing team.

Some of the features that a best-in-class CRM platform includes are as follows:

- **AI and Machine Learning Capabilities** – Using artificial intelligence (AI) to understand player behavior and execute against actionable insights allows the Lottery to maximize the impact of efforts with self-optimizing campaigns and autonomous insight generation. Self-optimizing journeys (SOJs) allow you to both manually prioritize target groups and use machine-based auto-prioritized target groups to ensure players receive the most effective campaigns when they are part of more than one target group. This detailed prioritization ensures the highest conversion rate based on selected key performance indicators (KPIs), which helps marketers systematically and continuously optimize the effectiveness of every campaign, based on true financial uplift measurements.
- **Omnichannel Messaging Capabilities** – You will have the ability to contact players using email, SMS/MMS, push notifications on app and browser, in-app inbox, web and app overlays, web extenders, Facebook customer audiences and Google retargeting—all from a single vendor without the need for custom integrations.
- **Powerful Segmentation Tool** – This type of tool allows clients to build an unlimited number of predefined custom attributes and target players based on demographic, behavioral, and

transactional data—with a focus on lifetime-value (LTV) segmentation and predictive behavioral modeling.

- **Flexible Dashboard** – Such flexibility allows administrators to see success rates of recent campaigns, save target segments, and pin a range of other attributes to the board.
- **Excellent Drill-Down of All Campaigns** – This feature makes desired attributes easy to find.
- **Self Optimizing Journey Feature** – Using the explicit data points of channel preference and past player behavior allows the machine to decide which channel is best to use for a player and the particular campaign based on campaign KPIs.
- **Simple Multivariant Testing Functionality** – With ease of setup, campaign analysis and results-driven optimization, this testing functionality includes artificial-intelligence-driven player targeting for multiple concurrent actions.
- **Martech Stack Friendliness** – This feature includes the ability to push and pull data between internal and external business intelligence solutions.

Any iLottery marketing plan will include hundreds of marketing message automations tied to bonusing in the first year, and likely thousands of such automations by year two. Your CRM platform should make the administration and stewardship of marketing automations simple and scalable.

Promotions and Bonusing

The flexibility to create and maintain a robust player reinvestment program is critical to the success of an iLottery program. These programs optimize the extraction of player value, sometimes referred to as average revenue per user (ARPU). iGaming best practices show that optimal player reinvestment levels in competitive markets hover around 20% of total gross gaming revenue (GGR).

Types of Promotions

A good bonusing system will support a wide variety of qualifying parameters for a promotion to become available to a player. It will also support any specifications as determined by the Lottery for each promotion, such as eligibility dates, expiration dates and limitations. Examples include:

- **Deposit Bonus** – Incentivizing deposits with top-offs or percentage bonusing of player funding with bonus money or cash
- **Cashback Promotions** – Returning a certain percentage of turnover or net loss to a player on their play on a specific game, range of games or all games during a specified period
- **Free Bonus Money** – Disbursing funds directly to players based on a specific action (such as registration) or on an ad hoc basis
- **Prize Draw** – Soliciting entries for a drawing in which the system distributes cash or bonus prizes to winners
- **Cross-Promotion** – Sending coupons via email or text for traditional Lottery products based on player-level behavior on iLottery
- **Refer a Friend** – Allowing players to earn rewards for referring other players to sign up and deposit

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Scientific Games' Growth Marketing team, using the industry's leading bonusing engine with integrations with an industry-leading CRM platform, manages the country's most robust iLottery promotions and bonusing program. Through the first full three calendar years, Scientific Games has administered over 4,000 unique promotions on PAiLottery.com:

- **Ad Hoc Promotions** – For the Pennsylvania iLottery program, Scientific Games leads the Daily Promotions program, which promises players one public, customer-facing, incentive-backed promotion each day. The goal of this program was to increase the wider player base to insulate the program from dependence on high-value players. It has resulted in massive increases to daily active users.
- **Automated Bonusing** – Bonusing systems should be able to administer bonuses automatically. Examples could be a Free Welcome Bonus available to all new players to incentivize signup or a First Deposit Bonus available to all verified players when making their first deposit, to incentivize full conversion to depositor status.

Additionally, bonusing engines should be fully integrated with a CRM system—allowing you to target the right player, at the right time, with the right incentive.

Cross-Promotions

Cross-promotion of iLottery and traditional products is key to giving players a choice in how they interact with your Lottery program. Statistics have shown that successful iLottery programs lead to growth for retail sales as well, and robust cross-promotional efforts are key to ensuring this trend manifests with your program as well.

The West Virginia Lottery will want to use the iLottery database to drive a retail trip to purchase a traditional product, as well as promote online and mobile play in stores.

Based on our experience leading the administration of many cross-sell initiatives driving online players to retail and vice versa, we recommend that a system have at least the following capabilities:

- **Retail Coupons** – Such coupons can offer incentives for players to play iLottery games to qualify for coupons that can be redeemed at retail. For example, a player who wagers at least \$25 on a Grumpy Cat® digital instant win game will receive a coupon to purchase the \$5 Grumpy Cat scratcher at retail.
- **Funding Incentives** – Players will want to be able to fund their iLottery accounts at your retail locations. Your bonusing system should allow you the flexibility to offer special incentives to both players and retailers for using and promoting this type of funding. It would include a bonus for the player (for example, deposit \$25, get \$5 extra bonus money) and also a commission for the retail establishment.
- **Retail Affiliates Program** – Described in more detail previously, this program allows retailers to share in the revenue of converted iLottery players, incentivizing your retail partners to promote your iLottery program and drive traffic at thousands of locations.

- **Second-Chance Integration** – This strategy allows you to offer iLottery bonus money as prizes for second-chance bonusing, to drive your traditional retail players to iLottery. It can also offer more perceived value to existing second-chance promotions, as well as more variety.
- **Loyalty Integration** – Just as players earn points toward redemptions and gamified tier status for online play, players should be able to scan retail tickets for the chance to earn points in a unified loyalty program.

Content Management

We recommend a robust content strategy, which is only possible with flexible content management system (CMS) tools that make the deployment of landing pages and targeted banner messaging possible. The Lottery will want to target the right player, at the right time, with the right message—whether playing on web or mobile.

Specific areas of content creation that focus on the optimization of our retention and conversion KPIs include:

- Winner Awareness
- Jackpot Awareness
- Beneficiary Awareness
- Educational Content
- Trust and Security

Winner awareness, in particular, is a simple and cost-effective way to increase awareness around high-dollar winners. Like the retail experience, players want to be able to see and feel that it is indeed possible to win real money through the iLottery program. By regularly highlighting iLottery winners, you increase visibility about the program overall and it sets a level of intrigue to casual or weary players, increasing the rate of play and acquisition. The system should allow you to automate the reporting and notification of such winners, including perhaps a winner's "ticker" on the site or on notifications.

We recommend the Lottery look for a content management system capable of multivariant testing content and user experiences. Experiments for which you may want to set up A/B testing would include the signup form, messaging around entering a player's Social Security number (SSN), or the order in which games appear in the lobby. Such testing is critical in optimizing player conversion rates and optimal gameplay metrics.

Loyalty Program

One consideration unique to the West Virginia market, which is competitive with online casino and sportsbooks, is that most iGaming programs have a tiered or gamified loyalty program underpinned by a points economy, in which players receive loyalty points for their cash turnover, which they can accrue and convert to bonus money and use for entrance into tiered VIP programs, providing an additional incentive to players to continue play. A competitive iLottery solution should also have these features to compete with numerous such operators in the jurisdiction.

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Things to look for in a loyalty platform include:

- Ability to flexibly customize loyalty levels and tiers
- Ability to define tiers with accelerated earn and redemption rates
- Ability to redeem points for cash, bonus money, or retail coupons (at minimum)
- Ability to expire liabilities (clawback)
- Loyalty system fully integrated with bonusing engine
- Real-time application programming interface (API) calls to your CRM platforms

VIP Program

As mentioned previously, high-value players constitute a large share of any online gaming operation. It is critical to maximize your retention metrics and minimize churn rates among your most valuable players. You can best achieve this goal with a loyalty program that extends into an exclusive VIP program—often administered by a full-time resource called a VIP Manager or Key Accounts Manager.

This aspect becomes especially critical in competitive markets, where operators will vigorously compete for high-value online players by launching full-service VIP player programs (or extending mature programs from their brick-and-mortar locations). Casinos with brick-and-mortar locations within the state and with locations in nearby surrounding states have the advantage of offering an abundance of onsite benefits and face-to-face customer care.

Such a VIP program is also a key component of your responsible gaming priorities. The Key Accounts Manager is the first point of contact for high-value players to call and has special training in responsible gaming.

If a high-value player is found to have a gambling problem, the Key Accounts Manager would put them in contact with responsible gambling experts (1-800-GAMBLER helpline), help the player sign up for a cool-off period or self-exclusion, or close the player's iLottery account.

Automated High-Value Player Responsible Gaming Alerts

Your CRM system should allow your Key Accounts Manager to set up automatic alerts based on player-level transactional trends. For example, the Key Accounts Manager could receive an alert related to changes in play behavior such as activity or deposit spikes. The Key Accounts Manager could proactively reach out to players to engage in a conversation about their iLottery activity.

Having a conversation with iLottery players will enable your Lottery program to identify and help those with gambling problems, because data alone is not enough to identify someone with a gambling problem. Having the conversation with players is the most responsible thing your Lottery program can do to help those with gambling problems.

1.1.6 Scope of Work with Third-Party Companies

Details regarding the vendor's scope of work with third party companies who provide additional needed gaming content.

Third-Party Game Integration Support

As the West Virginia Lottery works toward an RFP process, it will be important to allow for integration of third-party games to ensure a wide variety of content for players from day one of the iLottery launch. It is also important to consider the type of games that will be available at launch, regardless of provider.

The West Virginia Lottery's strategy regarding game content must include securing access to a wide array. You will need to partner with a platform provider with a strong portfolio of first-party game content, as well as a proven record of aggregating and distributing game content from third-party game studios.

Securing access to a high volume and wide variety of games will be critically important for an iLottery program set to launch in a state such as West Virginia, where commercial iGaming operators enjoy first-mover advantage and a long lead time on building and optimizing a portfolio of games. In all other states with both iLottery and iCasino in the same state (such as Pennsylvania and Michigan), the lottery programs were able to launch well before iCasino. West Virginia would be the first state where the opposite is true, which presents a fresh challenge. In such a competitive market, the West Virginia Lottery will need to ensure you have a partner who can successfully execute on an aggressive, high-frequency game launch strategy to build up the number of games available to players very quickly, as well as offer a variety of game types and mechanics.

If West Virginia's iLottery program has the latitude to offer more types of game content outside standard instant games (such as online slots, table games, virtual sports, etc.), the ability to aggregate content from third-party studios becomes even more important. An RFP should require respondents to provide references for currently integrated third-party studios covering each game type, as well as for jurisdictions where those studios' content is currently live.

Respondents to an RFP should also clarify what platform features they can support across game studios. For example, you should be sure that the platform's bonusing functionality supports game types across game studios or that a progressive jackpot can be studio agnostic.

A successful iLottery and content provider should proactively provide the Lottery with game recommendations. Scientific Games analyzes and monitors the games our third-party partners provide, and we frequently provide data-driven insights on game performance to third-party studios to help them optimize their own offerings. Our goal is to ensure the Lottery has the most effective content for engaging players and retaining them as active iLottery players. It will be important for the Lottery to have a partner that not only provides games, but strategically offers recommendations to ensure the Lottery achieves your goals. Regardless, it is crucial that you not only scrutinize providers, but make sure they deliver content to regulated markets. The Lottery must ensure that your primary vendor evaluates and scrutinizes game providers to make sure they offer secure games.

1.1.7 End-to-End Fraud and Risk Management

Details regarding the vendor's end-to-end fraud and risk management and geo-fencing for the program.

For an iLottery platform, security and integrity are of paramount importance. A successful iLottery program should encompass the necessary resources, industry-leading tools, a multilayered approach to security and carefully monitored processes to ensure that security. It all starts by identifying the players that will participate in the program.

The system needs to perform all identify checks, including all KYC requirements, to protect players and the Lottery from underage play, fraud and other risks. The player account system needs to include a robust player verification schema and controls. Potential players will be able to interact with the Lottery site before going through full verification. However, they will be unable to fund accounts or play real-money games until we have completed all required checks.

Know Your Customers

Based on industry experience and careful review, we recommend the iLottery platform use innovative methods to ensure it verifies players' identities to the highest degree possible. The platform should perform KYC verifications on all players before allowing them to proceed with any financial transactions (such as funding or real-money gameplay).

Asking players to supply information needed for KYC verification – including the last four digits of the players' social security number – is an impactful conversion funnel drop off point. Our solution for this registration and verification process minimizes negative impact on players and prevents player drop-off. The West Virginia Lottery should request information about suppliers' expertise in optimizing the conversion funnel around the KYC verification process.

Verification Process

The platform should support various regulated KYC procedures, including integration with KYC providers that support knowledge-based authentication (KBA) and a player registration process that supports the digital upload, review and approval of player-supplied supplemental documentation. The Lottery should look for an iLottery platform that can integrate with various third-party suppliers to complete KYC checks and accommodate changing requirements.

One important step to take prior to attempting to verify the age and identity of players is implementing best practices on the collection of the data needed for such verification to ensure that the data is clean, valid and non-duplicative. The Lottery should ask suppliers their methodology for collecting data in a complete and efficient way prior to attempting KYC verification.

If players attempt KYC verification and fail auto-verification, the supplier should have a multi-faceted failover process in order to assist the player with KYC verification. This might include requesting additional information and/or documents from the player to achieve this verification. The Lottery should solicit more information from suppliers about KYC failover methodology, including which components of the failover process are automated versus manual processes.

In some instances, KYC verification may require that Customer Service and Fraud teams manually inspect documents. The Lottery should ask suppliers what this process entails, including how players are instructed to upload which documents, how documents are digitally transferred and managed in

adherence to security best practices, and how these operations run in order to efficiently steward players through the KYC verification process of the conversion funnel.

Fraud Prevention

The main point at which the Lottery will address customer fraud is when players request withdrawals from their account. Your Customer Service and Support Center (CSSC) and iLottery platform will need appropriate tools and resources to identify patterns of suspicious behavior such as large or frequent withdrawals. Obvious patterns are depositing and then withdrawing with little or no gameplay activity in between, or only betting on even-return strategies, especially if the player is depositing and withdrawing onto different payment methods or withdrawing onto a more easily set up withdrawal mechanism. Your CSSC should be able to check that the customer details on the withdrawal method match those on the player account (e.g., email addresses). In addition to these checks, we recommend your CSSC have the system tools necessary to match personal details of a player with potential duplicates and further checks to determine whether or not accounts are duplicates, which may involve requesting multiple document uploads for identity checking.

Player Geolocation and Geofencing

Scientific Games' iLottery platform supports geolocation of players across land-based, WiFi and cellular connections. We apply stringent controls to ensure that all wagering occurs only within the permitted geographical boundaries (such as within state lines). Our geolocation solution works to accurately identify virtual private networks (VPNs), proxy servers, etc., that players may use to attempt to place wagers outside such geographical boundaries.

Scientific Games will provide software and services that can precisely recognize the physical location of a player accessing the system, from any connection type, such as cellular or internet protocol (IP), using the most stringent standards. We will obtain third-party-certified verification of any geolocation services (GLSs) we use before launch and on a recurring basis during the contract, as defined by the Lottery.

The GLSs will be configurable to create and adapt boundaries as directed by the Lottery during the term of the contract. The GLS will provide web-accessible reporting to the Lottery, including performance reporting, tracking and other information. The system will only allow players that it verifies to be physically within the boundaries of the jurisdiction, less any exclusion zones, to access wagering features and capabilities. We understand that non-wagering features (e.g., profile updates, withdrawal requests) should not be restricted by the physical location of the player.

Data Security

The Lottery needs a vendor-partner that understands the ever-changing cybersecurity landscape. Within any system or process, vendors must approach the confidentiality, integrity, and availability of data with the highest levels of scrutiny. All systems, whether internal or public facing, are potentially vulnerable to attack. Your vendor needs to stay abreast of international, federal, state, and local information security requirements, especially those involving privacy and personally identifiable information (PII).

When it comes to data security, there is no "silver bullet." The Lottery should seek a solution that implements a holistic, multilayered approach to security—including multiple layers of physical and

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logical security with real-time security monitoring capabilities and cyclical vulnerability risk-based remediation processes. Your vendor should also supplement their offering with security industry standards, lottery-centric processes and procedures, and accompanying certifications.

A key element of any security framework is deploying regular security-centric training for employees. The best tools and programs can be implemented, but ultimately are of no use, if employees do not understand their roles and responsibilities regarding data security and make educated decisions based on guided knowledge.

A successful long-term iLottery system and its operations must remain of the highest security and integrity. By partnering with lotteries to develop a jurisdictionally focused operations security plan, we ensure that we implement best practices from day one. Periodic testing and evaluation ensure that the plan remains relevant and that we are evaluating and mitigating current and new risks. Scientific Games views iLottery system security as a vital element of iLottery's growth. While we have specifically designed all other components of our solution to drive the highest sales and profits, we bring a fundamental understanding that the iLottery brand must be worthy of the public's trust.

Proven Security Plans

With integrity as a cornerstone, we have developed and implemented a comprehensive series of interlocking plans for maintaining effective security controls and practices. Our security plans apply throughout the jurisdictions we serve and at our corporate facilities.

For the Lottery, we have three plans in place to ensure security:

- **Corporate Communications Playbook** – Defines an executive communications and process plan for managing crisis events
- **Business Continuity Plan** – Provides detailed guidance on how to respond to several threat conditions
- **Site Security Operations Plan** – Addresses physical, logical and operational security requirements

Every year, Scientific Games completes a full enterprise risk management (ERM) assessment. The ERM covers all risks facing the company, including items that can lead to a business continuity event. The Board of Directors reviews the ERM annually. Risk owners evaluate business impact assessments and enterprise risks for probability and impact. Subject-matter experts pressure test risks. Our constant focus on business continuity and disaster recovery protects our customers.

We thoroughly test our business continuity and disaster recovery plans, and we have executed them in multiple jurisdictions worldwide. We activate these plans any time an employee or customer can be impacted. In 2017, we enacted 14 separate disaster recovery efforts, from hurricane relief in Puerto Rico and earthquake relief in Mexico to emergency responses during the Las Vegas mass shooting and a typhoon in China.

Cybersecurity

Our increased focus on system security is more urgent than ever as the cyberthreats to all digital environments accelerate. When it comes to the ongoing expansion of Lottery retail and player-direct gaming systems and networks—including vending, web and mobile applications, third-party

solutions and bring your own device (BYOD)—the Lottery threat surface represents a much larger security consideration.

Accordingly, Scientific Games continues to make significant investments and advancements in best practices and partnerships. We understand that cybersecurity is rapidly moving from a passive, annual audit-oriented security posture to a more proactive approach.

The Lottery should have confidence that their vendor has the highest level of capabilities to protect your valuable brand.

Compliance with the National Institute of Standards and Technology (NIST) Cyber Security Framework

We base our comprehensive security policy on the NIST-800-53 Framework, which sets minimum standards for Lottery systems. We are currently working toward NIST-800-53 compliance, with the formal attestation expected before the new contract term.

The industry best practice of a separate and independent reporting relationship with our Chief Information Security Officer (CISO) ensures a high level of corporate visibility and accountability.

The ISO/IEC 27001:2013 standard for information security management systems ensures we select adequate and proportionate security controls that protect information assets and give confidence to our customers.

Scientific Games' corporate-wide security posture is grounded on a solid foundation, including ISO 27001:2013 certification. The administration systems of Scientific Games' online operations follow these management system standards and guidelines:

- ISO 27001:2013 certification of the Alpharetta printing plant
- ISO 27001:2013 certification of the Montreal printing plant
- ISO 27001:2013 certification of the Gaming Operations Center in Illinois and the National Data Center in Georgia

Principle of Least Privilege

We follow the principle-of-least-privilege approach to authorizing all levels of physical and logical access and minimizing security threats. Our solution structures access around role-restricted segregation of duties and what is necessary to discharge defined job duties. This structure minimizes the risk of fraudulent activity by restricting access to as few trusted employees as possible.

Data Classification

Classifying data, assigning owners, and understanding where the data resides and how it moves are key to protecting the data appropriately. Ultimately, we safeguard PII and transactional information at the highest level, including encryption at rest and in motion with the least access assigned.

Security-Centric Tools for Monitoring and Mitigation

Deploying and using security-centric tools is key to understanding and mitigating external and internal threats. We must be able to minimize the time from detection to containment during a data-security-related event. Using a web application firewall (WAF) for distributed denial of service (DDoS) and application-based attacks protects your data, starting at the perimeter and disallowing unwanted traffic. Security information and event management (SIEM) correlates logs to understand related events in real time. A database activity monitoring (DAM) solution controls and monitors how we use data in real time. Endpoint response and detect (ERD) agents can monitor signature and behavior-based attacks in real-time on endpoint. Periodic application and endpoint scanning keeps patching and configurations in line with emerging threats.

Periodic Audits for Compliance

Without periodic checks and balances internally and from independent third parties, a security program can stagnate and quickly become irrelevant.

We undergo annual Statement on Standards for Attestation Engagements (SSAE) 18 (including System and Organization Controls [SOC] 1 Type II, SOC 2 Type I & II), MUSL, and Payment Card Industry and Data Security Standard (PCI-DSS) audits, as well third-party pen tests. In these audits, we review our plans and processes to identify any gaps. If we find actionable gaps, our team will follow an audit remediation process. During this process, we will work with the Lottery to update the plans and processes accurately and in a timely manner.

KEY TAKEAWAYS

Security and integrity are of critical importance, especially in an increasingly online-focused world. To ensure the West Virginia Lottery's safety and integrity, the Lottery should consider requirements around a robust security solution that includes full player verification services, multiple security solutions with several layers for data protection, security audits and a complete suite of mitigation and monitoring tools.

1.1.8 Integration

Discussion of how the vendor plans to integrate with our traditional system for wagers, win queries and prize payment.

Scientific Games has always welcomed third-party integrations, and we make every effort to coordinate with other third-party providers to maximize Lottery profits. We believe that we should use superior solutions for all aspects of our platform, and we select providers that best suit your business needs. Where Scientific Games is not able or best suited to provide a particular component, we will always be open to integrations with third parties and will not let an integration stand in the way of the Lottery's preferred solution.

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We encourage the Lottery to allow respondents the flexibility to propose whether the iLottery system would integrate into the retail gaming system, with the West Virginia Lottery's retail gaming system being the system of record, or whether the vendor's proposed iLottery solution would integrate with the ICS and be the stand-alone system of record for online draw plays without integrating to the retail gaming system.

Best Practices for Third-Party Integration

To provide the most streamlined and secure method for online draw game purchase through iLottery, the Lottery should seek a vendor with experience integrating with third-party central gaming systems, as well as the flexibility and proven experience of implementing a dedicated CGS for the iLottery system.

We describe features and benefits of our traditional iLottery games in **Figure 1-4**.

Figure 1-4: Traditional iLottery Games Features and Benefits

Feature	Benefit
Guaranteed placement of lottery tickets at the time of purchase	Ensures the player is aware at the time of purchase that the system has successfully placed their tickets into the draw
Branding of each ticket sold with an encrypted hash of the player's identity	Allows the iLottery system to validate that only the player who initially purchased the ticket is the recipient of any wins
Decoupled modular design to facilitate the MUSL Rule 2 concept of registered play transaction plays with the CGS	Can protect other third-party systems from falling under full CGS MUSL Rule 2 compliance
iLottery subscriptions	Gives players the ability to subscribe to their favorite games and never miss a draw
Auto-renewal	Does not require players to prepurchase a large number of drawings up front because renewals occur only in smaller increments

Purchase Features

Scientific Games will provide all necessary requirements to manage draw-based games, including wager options, multi-draw selection, number selection and draw break management.

Across multiple Scientific Games implementations in the U.S., as well as internationally, our research consistently shows us that the vast majority of players who purchase draw tickets buy a single ticket for a single draw, the majority of which occur within a few hours of draw break.

Additionally, a successful iLottery draw game environment should be built upon the principles of a player-centric and mobile-first UI. Scientific Games' experienced UI professionals have been working to optimize the purchase screen to cater to our base players' needs. The Lottery should have vendors elaborate on how front end and mobile UX/UI solutions optimize draw game sales.

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For draw-based games, we know that players are attracted to the high jackpots that games such as Powerball and Mega Millions offer, and we recommend a solution that allows for display of those values prominently throughout the site. This display becomes especially important during times of high jackpot runs, and we can use it as a key tool to drive higher player acquisition and ultimately conversion to higher yield products such as eInstants. We also recommend that every place the jackpot is displayed, there is a call to action for Buy Now, which will immediately take the player to a purchase screen.

The screenshot displays the Powerball lottery interface. At the top, the "POWERBALL" logo is shown with "POWERPLAY" underneath. A close button (X) is in the top right corner. The main display features a large "\$135 Million" jackpot amount. Below it, the text reads "Estimated Cash Payout: \$101 Million", "Next Drawing: Saturday Jan. 19th", and "\$2 Per Ticket". A horizontal line separates this from the "Fri, Jan 16th Winning Numbers" section, which lists the numbers 14, 29, 31, 56, 61, and 01 (the last one is in a red circle). Below the numbers is "Power Play x3". At the bottom, there are two buttons: "BUY TICKET" (purple) and "HOW TO PLAY" (grey).

Purchase Interface

Each game will include a Buy Now page, which will allow the player to complete a virtual playslip. We will optimize this page to cater to those players who wish to purchase a ticket as seamlessly as possible just before the draw, while at the same time giving experienced players the ability to customize their selections, similar to what is offered at retail self-service terminals. This screen will include the ability to purchase single- and multi-draw tickets.

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POWERBALL

\$135 Million
Estimated Cash Payout: \$101 Million
Next Drawing: Saturday Jan. 19th
\$2 Per Ticket

Fri, Jan 16th Winning Numbers
14 29 31 56 61 01
Power Play x3

[BUY ONLINE](#) [WINNING NUMBERS](#) [HOW TO PLAY](#)

How many plays?

How many consecutive draws? ⓘ
or
Make it a Subscription? YES ⓘ

Add Power Play? (\$1 per ticket) ⓘ YES

Select numbers or QUICK PICK ? ⓘ

1 2 3 4 5 6 7 8 9 10 QUICK PICK

Total: \$24

[BUY NOW](#)

Once the player has selected their game options and clicks Buy Now, the iLottery portal will interface with the draw services engine to sell the tickets. If the system cannot place the tickets into the drawing at the point of purchase, the player will receive immediate onscreen messaging informing them so and the system will take no funds from their wallet.

The iLottery system ensures the player is aware at the time of purchase that the system has successfully placed their tickets into the draw. This awareness is especially important when dealing with pick-style games that include a liability cap on certain number combinations allowed within a drawing.



KEY TAKEAWAYS

As part of the RFP requirements, we recommend that the West Virginia Lottery focus on a proven iDraw solution that supports multiple draw games, including any necessary customization; and a streamlined UI for ease of player interaction.

1.1.9 Responsible Gaming

*Discussion of how ilottery turnkey solution encourages responsible gambling behavior on the part of end users and **describe** how processes **include** mechanisms to identify and appropriately manage compulsive gambling activity when appropriate.*

Responsible Gaming: Have Fun, Do Good and Play Healthy

Responsible gaming is as much a part of the foundation of the lottery industry as it is to individual lottery organizations. Scientific Games understands the importance of, and shares the West Virginia Lottery's commitment to, worldwide responsible gaming principles and acute awareness surrounding problem gaming.



HEALTHY PLAY™

As a global leader in the lottery and gaming industries, we recognize that our position comes with significant responsibility, especially to our stakeholders—our business partners, employees, lottery customers, lottery retailers and consumers—to ensure we develop secure and high-quality products that support best practices for healthy gameplay. In addition to integrating responsible gaming principles every day, Scientific Games has earned prestigious responsible gaming certifications, and we actively participate in and support the responsible gaming initiatives, research and programs of nearly 20 gaming and lottery organizations globally.

In addition, we have increased our commitment to provide tools and programs focused on these important initiatives with our Healthy Play™, a branded program that supports our lottery customers' efforts to promote healthy and responsible gaming and helps them achieve their own certifications. This program includes a responsible gaming strategy; best practices; product, service and technology solutions; and even stakeholder messaging.

iCAP Certification and Proprietary Pre-Commitment Software

Of particular relevance to the West Virginia Lottery's RFI for a Digital Turnkey solution is the Pennsylvania Lottery's 2020 achievement of the distinguished Internet Compliance Assessment Program (iCAP) certification for their iLottery platform, which Scientific Games developed and primarily manages. Considered the U.S. lottery industry's gold standard, iCAP certification verifies that the Pennsylvania iLottery program complies with the Internet Responsible Gambling Standards of the National Council on Problem Gaming (NCPG), which require demonstration of constant and ongoing improvements in responsible gaming. The Pennsylvania Lottery achieved their iCAP certification due in part to Scientific Games' advanced responsible gaming tools.

Scientific Games is well versed in iCAP and has created tools to help our Lottery customers achieve this certification. We provide the link for more information on iCAP here:

<https://www.ncpgambling.org/programs-resources/responsible-gaming/icap/>

We have tested our gambling limits, play breaks and self-exclusion checks, and they comply with the regulations enforced by the New Jersey Division of Gaming Enforcement, as well as with European regulators in Sweden, Denmark, Malta, Spain and Portugal. Other Scientific Games iLottery products have been certified in Malta, British Columbia, Alderney, the Isle of Man, Gibraltar and the United

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Kingdom, including various aspects of the responsible gaming requirements we outline in this section, as required in each jurisdiction.

A lot goes into building a successful iLottery program. As we deploy ambitious marketing strategies aimed at maximizing revenues, our focus on responsible gaming is an important pillar of our iLottery programs and guides everything we do. In addition to complying with the NCPG's Internet Responsible Gaming Standards, our iLottery **platform exceeds World Lottery Association (WLA) Remote Wagering requirements and offers lotteries the most robust set of tools to monitor and responsibly manage all levels of play.**



In the changing gaming environment, the West Virginia Lottery must strive to achieve iCAP certification and meet WLA requirements for digital offerings.

For example, baseline requirements consistently mandate offering players the option to self-exclude, either on a permanent or temporary basis. Scientific Games' platform offers players the option to self-exclude from as little as a two- or three-day cool-off period up to a permanent lifetime exclusion. Additionally, the platform allows players to set limits on different types of behavior based on what that player knows about their own triggers.

Another way Scientific Games has long led the industry in creating responsible gaming is our proprietary pre-commitment software, an entirely voluntary, innovative budgeting tool that helps players personalize their play. Our pre-commitment software tool allows players to set entry limits (within the Lottery's parameters) and receive notifications when they reach milestones for that limit, making it easy for players to monitor play within their limits.



Scientific Games first introduced the pre-commitment tool in Australia and New Zealand casinos through loyalty programs, using a card system, and we have now implemented it in multiple U.S. and Canadian jurisdictions.

The West Virginia Lottery's turnkey solution should provide players with easy and accessible responsible gaming tools.

In fact, you may have heard of the pre-commitment software or app without realizing it is a Scientific Games proprietary tool. When implemented, our customers typically rebrand the program around their responsible gaming strategy. For example, customers have rebranded Scientific Games' proprietary pre-commitment tool as:

- PlayMyWay (Massachusetts Gaming Commission)
- My PlaySmart (Ontario Lottery and Gaming)
- PlayPlanner (British Columbia Lottery Corporation)

The pre-commitment software tool can be a standalone app, or we can integrate it into the Lottery's app.

Responsible Gaming Innovation

Customer Responsible Gaming Using Artificial Intelligence

Scientific Games, in partnership with Optimove, a CRM platform solutions provider, is using cutting-edge technologies like artificial intelligence and machine learning to equip lotteries with the next generation of responsible gaming tools.

Working with the Optimove data scientists and using these advanced technological methods, Scientific Games can provide lotteries with more in-depth player data, with the goal to teach the algorithm to look for early indicators of problem gambling. We closely examine the traits of players who self-excluded within various time periods following their first deposit: two to three months, four to six months, and from six months and beyond. With machine learning, the algorithm grows more and more accurate over time. Lotteries can then use data from players' most common behavioral traits to help identify other players who might have a problem before they choose to self-exclude. This information allows lotteries to flag players who show early indicators and provide discreet outreach as needed.

Choosing a turnkey digital solution partner that puts responsible gaming at the forefront of product development will ensure the West Virginia Lottery has access to the latest in responsible play technology.

Discreet messages can be sent to players who may have a gambling problem as defined in the Scientific Games iLottery platform's CRM integrated solution. This discretion allows us to use website banners and push out emails based on that player segment. We will work with the Lottery to determine the best messaging for these players to ensure responsible gaming for all players.

Of course, how and to what extent one uses this responsible gaming tool is entirely up to each lottery, and it is only beneficial if implemented with strategies and action plans adhering to responsible gaming best practices.

Software and Services for Responsible Gaming

Scientific Games provides the highest level of responsible gaming through the software and services we implement in our iLottery platform. Our system uses a diverse and progressive mix of responsible gaming controls. These controls allow the Lottery to establish minimum, maximum and default responsible gaming settings for player accounts, including loyalty and online play.

Our system provides capabilities for players to define personal limits, within defined time periods (daily, weekly or monthly), for deposit and loss amounts. The responsible gaming controls allow players to instantaneously enable stricter settings (for example, smaller deposit limits) while imposing buffer periods (for example, a 48-hour waiting period) for any attempts to increase limits.

Additionally, our system provides capabilities to track the duration of logged-in sessions and any net losses during that session, and it can display that information continuously on the screen (for example, in the footer). Responsible gaming controls allow players to assign deposit or loss limits. Triggered prompts (reality checks) remind the player how long they have been playing in a session.

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Players can define periods of exclusion from accessing the system. When a player is excluded from play, we can implement the system to alert other third-party systems in real time to ensure the player also gets excluded from marketing lists and other activities, as required by the regulator. Our system still pays any winnings the player may receive after they impose self-exclusion—for example, from a Lottery ticket that wins where the player has self-excluded between purchase and draw dates—into the player account, but the system can identify the account for manual processing from then onward, depending on Lottery rules.

Responsible Gaming Configurable Controls

Out of the box, we recommend that the selected solution support multiple responsible gaming features, such as the ones listed in the following table.

Methods	Limits
Deposit limit amounts	Deposits per day, week or month
Wager limits	Wagers per day, week, or month
Loss limit amounts	Losses per day, week or month
Cool-off periods	Configurable limits
Self-exclusion	Import and export to jurisdiction exclusion list

Limit Setting

We can implement the player registration process to show players messaging encouraging them to set limits after registration or to require they set certain limits before they can wager. Our system supports daily, weekly and monthly limit setting on net losses and deposits. Players may set each limit independently.

All reductions in limits take place immediately, while an increase in limits will only take effect after a 24-hour cooling-off period. The system prevents the player from playing whenever they exceed any limit, and the player cannot log in again until that limit period expires.

Players can voluntarily impose limits on themselves to prevent certain activities, including:

- **Deposit Limits** – Maximum amount of money the player can deposit within a timeframe
- **Spending Limits** – Maximum amount of money the player can spend within a timeframe

RESPONSIBLE GAMING

LIMITS
COOL OFF
SELF EXCLUSION

Use limits to control your spending and gaming activity on PAiLottery. Please note that once a limit is set you may decrease it at any time with immediate effect, but there will be a waiting period to increase any limits.

DEPOSIT LIMITS

Control how much you are able to deposit on PAiLottery

Daily Limit	Weekly Limit	Monthly Limit
10000.00	No Limit	No Limit

Based on your limits you can deposit a further \$ 10000.00

SPEND LIMITS

Control how much you are able to spend on PAiLottery

Daily Limit	Weekly Limit	Monthly Limit
100000.00	No Limit	No Limit

Based on your limits you can spend a further \$ 99897.00

Figure 1-5: Responsible Gaming Limits

Cool-Off

Players can set a cool-off period for a break in play, which prevents them from logging in for a selected period of time. The Lottery can configure common time periods for them (e.g., 1 hour, 6 hours, 12 hours, 1 day).

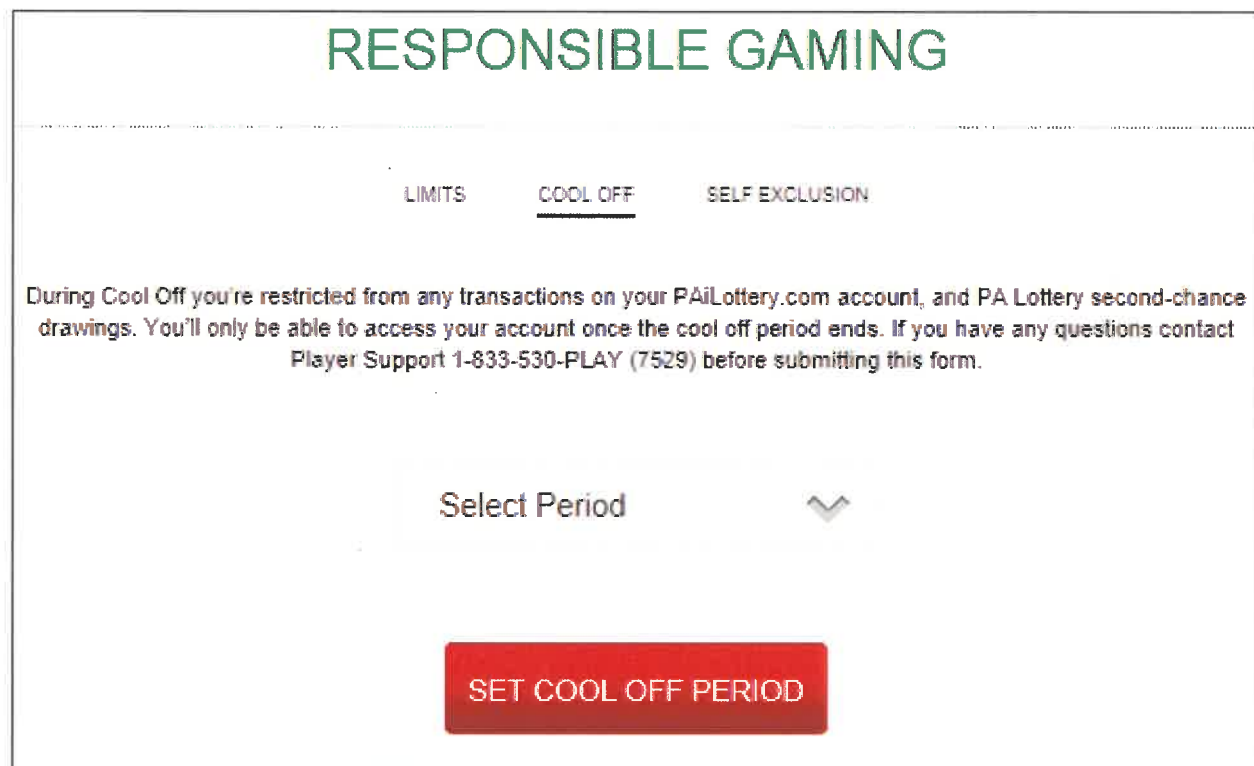


Figure 1-6: Responsible Gaming Cool-Off

Player Self-Exclusion

Player can set a self-exclusion, either through the portal interface or via Customer Service. The length of time of a self-exclusion is configurable and can be permanent. A player cannot reactivate their account until the self-exclusion period is over, and even then, they have to reactivate it through Customer Service—there is no self-service reactivation.

The rules for what the player can do during self-exclusion are configurable—some jurisdictions permit the player to log in to withdraw funds, for example, while others require the Lottery to withdraw funds on the player's behalf.

RESPONSIBLE GAMING

[LIMITS](#) [COOL OFF](#) [SELF EXCLUSION](#)

The option to self-exclude from playing PAiLottery.com games exists to help individuals who may have a compulsive gambling concern.

Carefully review all conditions contained in this legal agreement. Beyond being unable to log in or play PA iLottery, you are opting out of all VIP Players Club benefits (second-chance drawings, coupons/offers, text alerts and emails).

This agreement does not apply to Pennsylvania Lottery games sold in stores, but you will be unable to enter those tickets into online second-chance drawings. Self-excluding from PAiLottery.com does not extend to casinos or other gaming entities.

Personal declaration

I am voluntarily requesting exclusion from PAiLottery.com. I certify that the information I have provided is true and accurate, and that I have read and understand and agree to the waiver and release included with this request for self-exclusion. I am aware that by submitting this self-exclusion request, my access to PAiLottery.com will be restricted in accordance with my request. I further acknowledge that I cannot request my self-exclusion period to end early, and that it shall only end once the period of self-exclusion has elapsed from the date I submitted the self-exclusion request. I understand that I will continue to remain self-excluded unless and until I contact PAiLottery.com's customer service at support@pailottery.com to reinstate my PAiLottery.com access.

I AGREE

Figure 1-7: Player Self-Exclusion

Session Timer

To ensure the player is always aware of the passage of time, a session timer appears on all pages while the player is logged in. We can additionally implement the iLottery portal to display a problem gambling helpline for any players who require problem gambling assistance.

Session duration: 00:15:36
PROBLEM GAMBLING HELPLINE: 1-800-GAMBLER | Server Time: 08/14/2019 3:43 p.m. EDT

Meeting Gaming Control Standards

Scientific Games takes the issue of problem gambling very seriously. We are a corporate member of the National Council on Problem Gambling, and we provide gaming systems and services to a number of lotteries that are also led by organizational members.

Our player account system contains responsible gaming controls for internet gaming that a number of highly regulated jurisdictions have approved. We have earned WLA Responsible Gaming certification in the area of Remote Wagering, and our responsible gaming controls comply with the key

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requirements of the Internet Responsible Gambling Standards produced by the NCPG, whose link we provide here:

<http://www.ncpgambling.org/files/faq/Internet%20Responsible%20Gambling%20Standards%20April%2023%202012.pdf>

The North American Association of State and Provincial Lotteries (NASPL) and the NCPG launched a responsible gaming verification program in 2016. Scientific Games has a relationship with every lottery that has achieved verification.



KEY TAKEAWAYS

Our commitment to responsible gaming is not words on a page. Scientific Games' creation and launch of our Healthy Play program, the expanded integration of the WLA responsible gaming principles throughout our Lottery group, and our Healthy Play innovations and initiatives prove that we will put Healthy Play into action for the West Virginia Lottery. We look forward to providing more detail on all our digital Healthy Play responsible gaming programs and features.

1.1.10 System Platform Details

Details regarding the system platform including server locations for customer wallet, bet server and content.

Contiguous United States (CONUS) Data Centers

Lottery systems and environments are crucial to your successful lottery business and can help you reach future technological goals, ultimately resulting in revenue growth. We recommend that the Lottery focus on requirements that will enable you to provide an innovative, extensible solution for lottery systems and environments. At Scientific Games, we work with two leading data centers that give our lottery partners access to technology for innovation, economies of scale and risk mitigation.

Please note that, as with all Scientific Games products and services, the solutions we describe here are necessarily limited to activities to the extent allowed by, and consistent with, all applicable laws and Scientific Games' governance processes. We work with all our lottery customers to ensure compliance with all state and federal laws.

As described in the following pages, the data centers, both located in the continental United States, are geographically separate, ensuring they are sufficiently distant from one another to minimize the possibility that a single anomaly could affect both at the same time. The lottery systems running in these redundant data centers are identical in function. Both sites comply with MUSL Rule 2 standards, and both have geographical, physical and logical separation from all other operations. Within the data centers, Scientific Games has a dedicated cage that requires badge access to enter. We lock down each jurisdiction's racks within the cage, and only approved Scientific Games employees can access server racks.

Tier III and IV Certification

Scientific Games uses data centers that are Tier III and IV certified by the Uptime Institute, the organization that developed the widely adopted standards for data center performance.

What It Means to Meet Tier IV Standards

The Uptime Institute designates tier classifications to consistently describe the site-level infrastructure required to sustain data center operations. Every subsystem and system of the site's infrastructure must be consistently deployed with the same site uptime objective to satisfy the distinctive requirements.

The Uptime Institute's Tier IV facility requirements include:

- Fault tolerance
- Redundant capacity components
- Multiple independent distribution paths serving the computer equipment
- Only one distribution path required to serve the computer equipment at any time
- Dual-powered IT equipment

Performance tests at this level confirm:

- Every capacity component and element in the distribution paths can be removed from service on a planned basis without impacting any of the computer equipment.

There is sufficient, permanently installed capacity to meet the site's needs when redundant components are removed from service for any reason.

What It Means to Meet Tier III Standards

The Uptime Institute's Tier III facility requirements include:

- Redundant capacity components
- Multiple independent distribution paths serving the computer equipment
- Only one distribution path required to serve the computer equipment at any time
- Dual-powered IT equipment

Performance tests at this level confirm:

- Every capacity component and element in the distribution paths can be removed from service on a planned basis without impacting any of the computer equipment.

There is sufficient permanently installed capacity to meet the site's needs when redundant components are removed from service for any reason.

The Importance of Data Centers

With the accelerating growth of digital enterprise, businesses and government entities recognize the key role of reliable data center infrastructure. As software applications and end user devices steadily advance in capabilities, organizations are increasingly making their processes, products and services digital. As the scope, scale and complexity of lottery products, services and technologies continues to advance, such considerations become particularly relevant to lotteries worldwide. With an eye toward future growth, the Lottery must include a data center solution with these considerations in mind.

From federal agencies supporting nationwide services and global defense, to the largest ecommerce operators in the world, to state agencies and providers of key systems for states—such as lottery systems—evaluating the most stable, secure and reliable data center infrastructure is a key decision point.

Over the past several decades, many organizations have been moving from small, local data centers (often in a back office area, room or building) to consolidated facilities.

Since electronic access to all systems is fundamentally the same (an IP or URL address), the key focus for a data center is the physical capability to support systems at the highest levels of physical and logical security.

As the Lottery considers your data center choices for the next decade and beyond, it may be useful to consider the criteria the IT industry and governments use to evaluate and select the best solution for their operations. Many certifications indicate whether a data center meets specified criteria for key factors, including location, physical security, power and communications, sustainability and future growth.

The Lottery may also find these independent data center standards helpful in their evaluation process. Some include:

- **Statement on Standards for Attestation Engagements No. 18 (SSAE 18)** – An auditing standard for service organizations that shows effective internal controls, SSAE 18 covers financial reporting and data centers that might be used in the delivery of financial reporting. It mirrors the ISAE 3402.
- **Payment Card Industry Data Security Standard (PCI DSS) Compliance** – This proprietary information security standard is for organizations that handle branded credit cards from the major card schemes, including Visa, MasterCard, American Express, Discover and JCB.
- **American Institute of Certified Public Accountants (AICPA) SOC 2** – The SOC 2 certification demonstrates that there are effective processes and controls in place to detect, respond to, mitigate and recover from breaches and other security events.
- **International Standard on Assurance Engagements (ISAE) 3402** – ISAE 3402 is an assurance standard for documenting that a service organization has adequate internal controls from a financial reporting perspective.



Yesterday's data center cannot support tomorrow's lottery. As data center infrastructure solutions advance, specialized data centers now offer strategic value for growth-oriented systems such as lottery systems.

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The evaluation of the most stable, secure and reliable infrastructure is a key decision point. Scientific Games ensures the highest level of service and growth capabilities in the proposed data centers.

1.1.11 Game Portfolio Management

Discussion of game portfolio management to keep our iLottery program fresh and exciting, drive increased player loyalty, and optimize revenue.

Game Content

When developing an iLottery program, one of the areas of special focus needs to be the content you place in front of your players. This portfolio should focus on a diverse lineup with a robust game library—both first- and third-party—to provide the best possible, feature-rich game content.

Scientific Games has a diverse game portfolio and extensive game studio talent. We currently employ multiple teams globally providing game development expertise and content for the library of digital instant games we provide to customers all over the world. Our library offers proven titles that drive incremental lottery revenues. These titles include over 185 leading licensed and instantly recognizable brands and over 150 different instant games. Scientific Games also provides the ability to add the best third-party game content through our game aggregation platform, as well as a wide range of our own instant in-house content. This range benefits our Lottery customers with a large portfolio at their disposal, from day one of an iLottery launch.



However, a content library alone does not lead to success. With the launch and commercial success of the Pennsylvania Lottery's instant portfolio, Scientific Games has delivered exceptional content supported by a highly knowledgeable product and account management team. This deeply experienced team provides robust player engagement programs to ensure that Pennsylvania achieves their revenue goals. In addition, they manage the game roadmap and continuously identify and develop new content. Our account team, CRM tools, and CMS solutions allow for highly effective game implementations, as well as successful product management through the life of a game. Our teams constantly review game performance with our lottery customers and make recommendations for promotions, email and mobile campaigns, and critical programs to drive player deposits, gameplay and more.

We are also constantly adding new suppliers with extensive game portfolios to our content aggregation platform, allowing for a robust and growing roadmap of content. However, lottery priorities and analysis of the performance of games launched in the market—i.e., understanding player and market trends—heavily influence this activity. It is therefore not uncommon for us to regularly update our portfolio. As the West Virginia Lottery establishes your goals for iLottery content,

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you might consider not only what games are in a provider's library, but how the provider innovates, integrates third parties, implements marketing and promotional activities, quickly adjusts content to market demands, and ultimately provides a variety of game options that will appeal to a wide demographic group.

In addition to developing specific games mechanics and themes, we also provide platform-level features that help in player acquisition, retention, monetization and reactivation. From multi-ticket games and advance play functions, to bonuses and multipliers, as well as missions and achievements, Scientific Games has established integrated add-on features that not only appeal to players but keep them coming back. We recommend the Lottery allow each vendor to showcase how they develop, manage and evolve game content to deliver rich player experiences. From base or core game mechanics to unique add-on features, an experienced vendor should be able to demonstrate the importance of evolving game content to meet market expectations.

Library Management

From a portfolio management perspective, Scientific Games' goal is to implement a library of games for our lottery customers that will appeal to the largest audience in that market and deliver incremental growth. We achieve this goal by creating a portfolio or library that considers how the games work together to create a growth trajectory for a lottery.

Scientific Games has established a careful planning process for evolving our game library, including the development of a game specifications process, game rules, promotion plans and more, as part of the process. We have mapped out a portfolio strategy that considers:

- **Game Mechanics** – Ranging from simple match-three to extended play games
- **Math Models and Return to Player** – Effectively leveraging the right math model and prize structure to deliver a good player experience
- **Wager Amounts** – Ranging from \$0.10 to \$30 or more per game session
- **Themes** – Including licensed brands, seasonal and traditional
- **Featured Games** – Identifying a new game at launch or rotating games to keep them fresh in players' minds

We add games to the portfolio frequently, by constantly evaluating existing game performance from an analytical perspective. We then enhance the delivery roadmap with games based on a critical eye for driving sales and engaging players. Our content aggregation solution and the integration of third-party game providers benefit our lottery customers, and in turn their players, by providing them with plenty of content choices. We recommend the West Virginia lottery consider not only the number of games in a vendor's portfolio, but how vendors develop, manage, support and market a game roadmap. We also suggest the Lottery look for partners who understand how to critically evaluate the data they capture and apply it to effective portfolio management.

Game Production and Project Management

Managing game delivery in the fast-paced internet world is a critical part of managing the iLottery business. We have developed and evolved an approach to effectively manage each game delivery as a project. This process not only ensures that we develop and implement a game, but also that we test and communicate it well with product details (internally and externally) and manage it well after

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go-live. Scientific Games also integrates powerful security tools to constantly monitor internet activities and ensure players and customers are well protected. As the West Virginia Lottery considers what is important for development and implementation, we recommend asking vendors to provide their overall approach for development, their processes and resources for implementing and managing game launches, their views on overall user experience and how it should evolve, their security rules, all facets of managing a quick-to-market online gaming business, and their team that should facilitate the business.

Development and Implementation

As part of our development and implementation approach for new games, we follow a detailed process. Each step includes specific participants, input, output and comments. The steps typically include our product management team, analytics team and input from the Lottery as follows:

1. **Game Pre-Study** – This study includes player analysis; game specifications, mechanics and math; and game themes.
2. **Design and Planning** – We walk the Lottery through the game, with your sign-off on the design or prototype and agreed-upon milestones, to create an aligned view.
3. **Design Reviews** – We conduct a current state of development with stakeholder feedback by product owner and prioritize any changes.
4. **Development** – This step includes alpha, beta and final polished game phases, which are then sign-off points for stakeholders.
5. **Development Hardening Sprint** – Here we present the final polished game and leverage key testing practices to tighten and finalize gameplay.
6. **Development Sign-Off** – In this step, we provide the final game demo, where the Lottery signs off on the finished game.
7. **Test Lab Review and Approval** – At this step, the game is ready for us to hand it over to third-party test labs for review and approval.

1.1.12 Player Support Offerings

Discussion of how vendor will provide player support offerings from sign up to withdrawals, including phone, email, and live chat 24/7, 365 days per year.

The Lottery will need a Customer Service and Support Center (CSSC) to handle all iLottery customer service needs. Based on industry experience, your iLottery program will need to include varying types of player support, including telephone, chat, email, SMS messaging and social media, as well as customer service in English and Spanish, based on the Lottery's needs.

Customer Service and Support Center Should Always Be Available

Your CSSC telephone lines should allow the Lottery to handle heavy call volumes from iLottery customers with wait or on-hold times of a minute or less. During unusual circumstances, the CSSC staff should initiate a prerecorded message explaining the situation and queue calls. Callers should also

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have the option to receive a callback in lieu of remaining on hold in the queue. The Lottery should be able to monitor CSSC performance through reports, which the vendor should provide as often as the Lottery prefers.

We recommend a dedicated single toll-free telephone number with an ample pool of inbound lines so callers get through without hearing a busy signal. Typically, your CSSC should answer 80% of calls to the hotline within 30 seconds or less. The CSSC typically uses voice over internet protocol (VOIP) lines.

Fully trained to troubleshoot issues while providing excellent customer service, the CSSC staff should provide fast call resolution and monitor the number of incoming calls to maintain the highest level of service.

Player-Facing Interface

In addition to a toll-free number, we recommend the Lottery also provide a player-facing interface with access to all support channels and support-related information on each iLottery portal channel (webpage, in-app support section, etc.). The interface content could include elements such as a self-service knowledge database, reference documents on how to play, support options, and contact information.

Hours of Support

Based on industry experience, we recommend the Lottery require 24/7/365 customer support. Your vendor should support multiple customer service groups that are trained to provide excellent service to players on a variety of issues.

Languages

It is most common for a vendor's CSSC solution to support English- and Spanish-speaking players and Lottery staff. The Lottery should verify these language capabilities based on expected iLottery player languages.

Incident Reporting

An iLottery vendor should provide incident reporting, tracking and resolution. The Lottery should inquire about the vendor's incident management methods and how they will work with the Lottery to report and track incidents from initial customer contact through resolution.

Notifications

iLottery players will require notification in the event of scheduled maintenance, unscheduled maintenance, emergency maintenance, downtime, system errors or degraded performance. When scheduled or unscheduled maintenance occurs, website banners should alert players of the downtime.

Fraud Prevention

The main point at which the Lottery will address customer fraud is when players request withdrawals from their accounts. Your CSSC and iLottery platform will need appropriate tools and resources to identify patterns of suspicious behavior such as large or frequent withdrawals. Obvious patterns are

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depositing and then withdrawing with little or no gameplay activity in between, or only betting on even-return strategies, especially if the player is depositing and withdrawing onto different payment methods or withdrawing onto a more easily set up withdrawal mechanism. Your CSSC should be able to check that customer details on the withdrawal method match those on the player account (e.g., email addresses). In addition to these checks, we recommend your CSSC service has the system tools necessary to match personal details of a player with potential duplicates and further checks to determine whether or not accounts are duplicates, which may involve requesting multiple document uploads for identity checking.

1.1.13 Proposed Start-Up and Implementation Timeframe

In addition, we would like a proposed start up and implementation timeframe from the vendor for a turn-key lottery solution including aforementioned details and any other suggestions the vendor would propose.

An iLottery program in West Virginia has the potential to become a multi-million-dollar revenue stream. One of the primary drivers of the success of an initial implementation project is the use of a Project Management Office (PMO) approach. Such an approach is the only way to ensure proper oversight of the multiple goals of the project. As its primary function, the PMO supports project managers in a variety of ways that include, but are not limited to:

- Managing shared resources across all project responsibilities
- Identifying and developing project management methods, best practices and standards
- Coaching, mentoring, training and providing project oversight
- Monitoring compliance with project management standards, policies, procedures, templates and other shared documentation
- Coordinating communication across all project teams

We base our recommended approach on the Project Management Institute (PMI) Project Management Body of Knowledge (PMBOK®). Scientific Games' project managers have received formal training in PMBOK principles and in our standard method, and they go through a continuous improvement training program. Many of our project managers have PMI certifications in both waterfall and Agile methods.

Our project management lifecycle framework is inspired by integrated project management (aka integrated project delivery) methods and incorporates practices and tools from Agile project management (Atern-DSDM, SAFe, PMI-ACP), as well as PMI PMBOK (ANSI/PMI 99-001-2017). The lifecycle framework provides a method for continuously delivering value to our clients through rapid development of new functionality and features in our products.

We display our project management lifecycle in **Figure 1-8**.

Project Management Lifecycle Continuously Delivers Value During Product Development

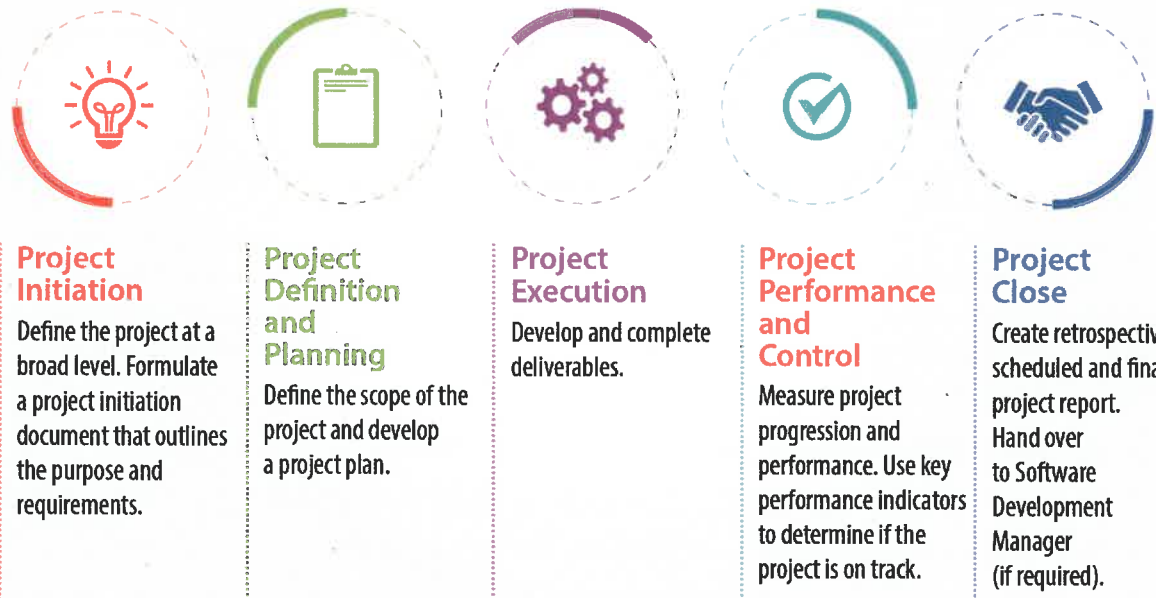


Figure 1-8: Project Management Lifecycle

Scientific Games has used this PMO approach on many large implementation projects. In all cases, it has demonstrated successful results, ensuring we implement projects on schedule.

The cycle starts with project initiation, which includes defining the business case, the project scope and charter, resource requirements and project financials. The Lottery and Scientific Games then approve and prioritize the project within the existing projects. The project planning phase starts with the creation of the project management plan, work breakdown structure, roles and responsibilities matrix, communication plan, risk management plan and many more necessary items.

The project execution phase is where we carry out the implementation according to the PMO methods and best practices, combined with the SAFe essential framework that constitutes the Agile system development lifecycle (SDLC).

Project monitoring consists of interactions and tools that facilitate the risk management approach, and it provides visibility of the project toward stakeholders (including the Governance team). During project closure, we produce project documentation for the Lottery as well as our Account Management team, in addition to listing any items we need to deliver in subsequent maintenance releases. We then archive the project documentation in the project management document

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repository for future reference. Last, we perform a formal retrospective as part of our continuous improvement process.

Figure 1-9 illustrates some of the quality gates we apply to our projects.

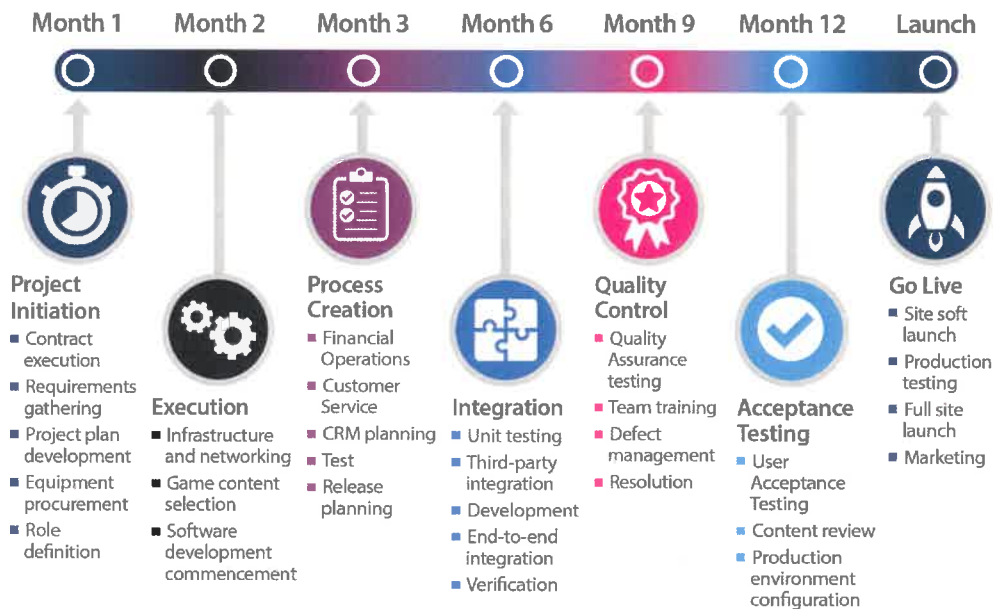


Figure 1-9: Scientific Games' Development Approach

Timeline Recommendations

Lotteries best serve the interests their beneficiaries when the Lottery and your chosen vendor combine and focus energies on delivering a platform and program that will increase revenue and continuously add new games and functionality to enhance the player experience and enrich platform offerings.

iLottery Implementation Timeline



We recommend meeting with the Lottery to review the draft implementation plan and gathering the necessary details to finalize an implementation plan. The final implementation plan should be delivered within 30 days of notice to proceed. This plan will include all activities necessary to implement the program. Such activities include delivering the technology, programs and systems it takes to run a successful iLottery program, such as identifying roles and responsibilities, key milestones and deliverables. We recommend including the following deliverables as part of our final implementation plan:

- Procuring and installing the infrastructure and setting up the networking
- Executing all legal commitments with the Lottery and our third-party providers
- Creating a marketing plan and program in conjunction with the Lottery and your ad agency, including a promotion program, bonusing plan, affiliate program, and retailer training
- Setting up and customizing the CSSC and knowledgebase for West Virginia
- Setting up and customizing your financial operations and bank accounts for the iLottery program
- Managing the software development lifecycle, including the frontend and any customizations needed

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- Selecting content and planning for a roadmap of continuous game deliveries
- Providing project closure documentation for any new functionality we deliver
- Creating a post-project plan (planned maintenance releases, etc.)
- Identifying key milestones

Roles and Responsibilities

At project initiation, we will create a detailed roles-and-responsibilities matrix across all project leads, including stakeholders at the Lottery and on the Steering Committees. A communication plan and contact chart will have all relevant contact information. We include key roles and responsibilities of the Lottery, Scientific Games and any third parties in **Figure 1-10**.

Figure 1-10: Roles and Responsibilities

Third Parties	West Virginia Lottery	Scientific Games
<ul style="list-style-type: none"> ■ Comply with plan-scheduled tasks ■ Maintain highest quality of service and collaboration ■ Deliver high-quality specified requirements as scheduled ■ Pass compliance process to certify business integrity ■ Deliver contractual agreements and documents by specified dates 	<ul style="list-style-type: none"> ■ Provide primary layer of project oversight ■ Provide a single point of contact for project management ■ Verify that we provide all deliverables ■ Obtain resources when the project requires them ■ Make project-level decisions quickly and decisively ■ Pursue internal answers to project questions ■ Acquire needed management agreement and authorizations ■ Partner with us to perform user acceptance testing 	<ul style="list-style-type: none"> ■ Generate, verify, publish and distribute the project plan ■ Modify the plan as needed to maintain project success ■ Maintain open communications with Lottery staff and use all project management reporting and tools to provide visibility toward status ■ Provide a single point of contact to corporate resources ■ Select and manage third-party service providers ■ Maximize internal visibility of the project ■ Prevent project activities from adversely affecting current Lottery operations ■ Develop and deliver against requirements any new functionality as planned ■ Maintain good relations through continuous contact, support and training