

Date:	January 23, 2008	Place:	Legislative Dining Room		
Convened:	1/23/2008 10:00 AM	Recessed:	Reconvened:	Adjourned:	1/23/2008 11:45 AM
Present:	Senators Courtney-CH, Connolly-VC, Ward-RM, Lundby, Schmitz Representatives Lensing-CH, Ford-VC, Watts-RM, Baudler, Berry, Olson, S., Swaim, Tymeson, Whitead				
Absent:	None				
Excused:	None				

Chair Lensing called the meeting to order at 10:10 am.

Roll was taken and those absent were excused. Minutes were approved.

Representative Lensing introduced Ken Brickman, acting CEO of the Iowa Lottery, Mary Neubauer, Vice President of External Relations, and Ombudsman William Angrick of Office of Citizens' Aide/ Ombudsman and Sr. Assistant Ombudsman Jeff Burnham.

Representative Lensing recognized Neubauer, who gave a brief overview of a report filed by the Iowa Lottery, December 2007. In the report she highlighted the Lottery's fiscal year 2007 record sales, several new lottery game ideas and projects, a new text messaging service, and the Iowa Lottery's support of Iowa initiatives. Neubauer then introduced Brickman who discussed details of the Iowa Lottery Budget.

Senator Courtney questioned the adjustments made to the 2008 budgets regarding previously projected TouchPlay revenues.

Representative Lensing opened the floor for questioning by committee members. Questions and discussion followed.

Senator Connolly was recognized. Connolly expressed concern and requested a breakdown of Iowa Lottery salaries and a breakdown of marketing, education, and information expenditures.

Representative Ford was recognized. Ford expressed concern and requested that 'personal services' in the budget be corrected to 'personnel'. Neubauer responded that the referred text was coding by the Iowa Department of Revenue. Ford also requested that further conversation ensue regarding the Iowa Lottery's international gaming. Other members of the committee agreed.

Mary Neubauer addressed lottery issues in Canada and the differences in the Iowa Lottery's security procedure and consumer reporting. She emphasized that there were no complaints of situations reported by Iowa Lottery players being ignored or left uninvestigated.

Representative Lensing recognized Ombudsman William Angrick, who provided a brief overview of his purpose at the meeting and the concerns of the Ombudsman's Office, specifically the office's inability to obtain the Iowa Lottery's complaint files.

Senator Connolly affirmed the Ombudsman's intention to pursue the issue of jurisdiction on behalf of the legislature.

Representative Baudler expressed concern over jurisdiction and circumventing lottery security.

Senator Courtney suggested that the committee listen to the investigative report by Jeff Burnham before any further questioning proceed. Representative Baudler agreed.

Ombudsman William Angrick introduced Jeff Burnham. Burnham provided greater detail regarding the Ombudsman's investigation, specifically a lack of automatic scrutiny towards prize claims, the 'Bearer Instrument' standard, background checks and retailer 'code of conduct', customers not receiving vital information, and the differences in the definition of 'insiders'.

Representative Lensing requested, in light of the time, that Mary Neubauer be allowed to provide a response on behalf of the Iowa Lottery and that further discussion and questioning continue at the next meeting. Senator Courtney seconded.

Mary Neubauer highlighted the differences in Canadian and Iowa law, the security/ fraud reminders distributed and displayed on the Lottery's website, and the concerns the Lottery had with allowing open access to the ombudsman's office.

Representative Lensing invited representatives from the Iowa Lottery and the State Ombudsman to the next meeting. Senator Courtney moved to arise and the meeting adjourned at 11:45 am.

Representative Vicki Lensing

Colleen MacRae, Committee Secretary