

# Hugh Coonfield

[REDACTED]  
Redmond, OR  
[REDACTED]

November 18, 2024

Marilyn Saathoff - Chair  
Marty Ramirez  
Julie Wilcox  
Jeff Weller  
Charlie Conrad (incoming)  
Mike Wells, Director

Dear Commissioners and Director,

Thank you for allowing me the opportunity to address you and to wish all of you a Happy Thanksgiving.

My name is Hugh Coonfield. I was the 13th or 14th employ hired to start the lottery in 1985. I was the Market Research and Game Development Manager for 17 years. As such I developed games, calculated odds, and developed prize structures for all scratch off and online games, including Megabucks, Sports Action, Quest, Keno, Lotto America, and Powerball. Plus all yearly Marketing research, sale forecasting, and game testing via phone and focus group.

As you are aware POWERBALL is the most highly played game, in the most jurisdictions, with 6 or 7 of the highest lottery jackpots in the history of US lotteries. What you may not know is that POWERBALL was developed, tested nation wide in five different states and named by the Oregon Lottery. (I know because I did it).

On searching online, the Oregon Lottery has never been given the recognition it rightly deserves. Enclosed in your packet is the complete history of how POWERBALL was developed and Oregon's involvement in how it was implemented.

I would humbly request the information be posted to Oregon Lottery website and also posted on Wikipedia so that the Oregon Lottery can be duly recognized for the outstanding work we accomplished in the industry.

I appreciate your time and consideration on the above and would welcome any questions you might have either in person, phone or email at above.

A handwritten signature in black ink that reads "Hugh Coonfield". The signature is written in a cursive style with a large, stylized "H" and "C".

Hugh Coonfield

PS - The above information above can be verified by Tina Erickson, she's the only one that might remember me.

# Powerball

My name is POWERBALL and this is my story. I am the most widely played lottery game in the United States and am offered in more lottery jurisdictions than any other lottery game. But where did I come from and how was I developed? Please let me help you understand.

The main characters in my development were:

Jim Davey - Director of the Oregon Lottery and first President of the Multi-State Lottery Association (MUSL).

Steve Caputo - Assistant Director for Administration for the Oregon Lottery

Dr. Ed Stanek - Director of the Iowa Lottery and President of MUSL when I was introduced.

Hugh Coonfield - Market Research and Game Development Manager for the Oregon Lottery.

Carole Hardy - Advertising Manager for the Oregon Lottery.

Randa Korson - Online Project Manager for the Oregon Lottery.

Others played a part and are too numerous to mention.

But before we can talk about me, we must start at an earlier time. Around 1987 many state lotteries were being started up with scratch-off tickets and in-state lotto games. Most of these lotto games were 6 of something, differing by state to match the population. The states with large populations, e.g. New York or California, developed games with higher odds and grew bigger jackpots faster than the smaller states. Eventually six smaller states and the District of Columbia joined together and formed the Multi-State Lottery Association (MUSL) which offered

a game played in all seven jurisdictions using one draw. This made it possible for smaller states to have the population base to provide a game which could compete with the larger states in terms of sales and jackpots. Jim Davey was selected as the first president of MUSL

The first multi-state game introduced by MUSL was LOTTO AMERICA. This was a 7 of 40 game, the first pick 7 lotto game developed. In the game testing market research conducted by the Oregon Lottery, a 7 digit lotto game tested very poorly, as did any 6 pick game that was large enough for the multi state population. The research showed that people had a real aversion to picking 7 numbers, the odds were too high, the lotteries were just out to make money, and no one would win. In spite of these research results and objections of the research manager, LOTTO AMERICA was launched. After a couple of years the game was changed to a more traditional pick 6 of 54 lottery game.

After less than four years, sales from Lotto America were nowhere close to projected, so MUSL determined that a change needed to be made.

Early one morning, Hugh Coonfield and Steve Caputo were discussing games as they often did. The discussion centered around Lotto America. How could smaller states offer a pick 6 lotto game with high enough odds to be played in the MUSL states? Steve asked Hugh how to raise the odds in a pick 6 lotto game. Hugh's response was that there were only two ways to increase the odds. One is to increase the number of balls, the other was to draw the balls with replacement, which would mean putting the balls back in the drum and would allow for duplicate numbers to be drawn. Upon further discussion, they talked about only replacing the balls after

the first five had been drawn and only drawing one number with all balls replaced. Steve asked Hugh to develop some game concepts to see what they looked like.

Most pick 6 lotto games have three prize levels, paying out for matching 4,5, or 6 numbers (some prizes for matching 3, normally a free play or \$1 prize). When Hugh developed the new game that involved picking 5 from one pool and 1 from the second pool, he discovered there were several additional ways to win, each with different odds and payouts. Hugh was excited about the possibilities this kind of game would provide. He presented it to Steve who immediately saw the benefits, and they showed it to Jim Davey, who also liked it.

#### Typical 6 of ?? Lotto Game

You Get

6 of 6	Jackpot
5 of 6	\$10,000
4 of 6	\$100
3 of 6	sometimes free play
2 of 6	nothing
1 of 6	nothing
0 of 6	nothing

#### Powerball 5 of 45 and 1 of 45

You Get

5 of 5 and Powerball	Jackpot
5 of 5 No Powerball	\$20,000
4 of 5 and Powerball	\$1000
4 of 5 No Powerball	\$100
3 of 5 and powerball	\$20
3 of 5 No Powerball	\$5
2 of 5 and Powerball	\$5
2 of 5 No Powerball	nothing
1 of 5 and Powerball	\$2
1 of 5 No Powerball	nothing
0 of 5 and Powerball	\$2
0 of 5 No Powerball	nothing

Jim then called Ed Stanek, who was president of MUSL at that time. Ed also saw the possibilities and wanted it presented to the MUSL board of directors. Steve and Hugh presented the concept to the board and they liked the concept but after the Lotto America failure wanted more assurances, so Ed directed the first multi-state research project be conducted to see if this type of game was feasible. He put the Oregon Lottery and their research manager in charge of this research project. This has been the only multi- state lottery game research project to ever be conducted. The research was held in five states each one confirming the concept to be very popular.

Before conducting the research, Hugh took the concept to Carole, the Advertising Manager for the Oregon Lottery and Randa Korson the on-line product manager explained the game and the concept to them. Carol said "Oh I see you draw 5 balls then you add a power ball." They looked at each other and declared what a great name that would be - POWERBALL. That was also proven to be the case in the research.

So there you have it. Powerball was implemented and started selling tickets on April 4, 1992. The original game has had to be changed many times over the years as more and more jurisdictions have implemented it. The game today is sold in 44 state lotteries, District of Columbia, Puerto Rico and US Virgin Islands and sells more tickets and has higher Jackpots than any other lottery game in existence.

Powerball became so popular Ed Stanek finally had the name copyrighted to preserve the integrity of the name and the game.

This was written by Hugh Coonfield, whom developed games for the Oregon Lottery for 16 years as the Market Research and Game Development Manager. Has a Masters Degree in Mathematics and Statistics from Oklahoma State University. This is my recollection of how the game was developed and the implemented.