



QUARTERLY REPORT ON THE PRIVATE MANAGEMENT AGREEMENT

Quarter 3 (January 1, 2018 – March 31, 2018)

Submitted May 4, 2018

(20 ILCS 1605/9.1)

Respectfully submitted to:

Illinois Governor Bruce Rauner

Senate President John J. Cullerton

Senate Republican Leader William E. Brady

House Speaker Michael J. Madigan

House Republican Leader Jim Durkin

The Illinois Lottery – Private Management Current Status

The Illinois Lottery and Camelot Illinois entered into a new 10-year private management agreement on Oct. 13, 2017. The agreement delivers key drivers of responsible growth and aligns the manager's financial interests to the state's, addressing key contractual weaknesses encountered in the Lottery's prior private management arrangement.

The new private management agreement with Camelot is structured to accomplish the Lottery's five key goals, which included responsible growth of the Lottery's player base, aligned financial incentives, elimination of conflicts of interest, the introduction of new technology and innovation, and greater responsiveness to public needs and concerns.

In January 2018, Camelot replaced Northstar as private manager. The Lottery and Camelot are in the midst of a technology transition (full replacement of the gaming system, retailer terminals, vending machines, and iLottery website) that is anticipated to be completed in December 2018.

Overall Sales and Transfers to Good Causes

Below are the FY18 Quarter 2 sales and transfers to good causes:

FY18	Sales	Transfers to Common School Fund	Transfers to Special Causes
Q1	\$720 million	\$153,410,000	\$436,654
Q2	\$704 million	\$184,460,000	\$829,131
Q3	\$758 million	\$168,245,000	\$1,470,551
Q4			
Total	\$2.182 billion	\$506,115,000	\$2,736,336

Specialty Ticket Name	FY18 Transfers
Veterans Cash	\$1,012,647
Ticket for the Cure	\$510,534
The MS Project	\$159,737
Red Ribbon Cash	\$373,407
Special Olympics	\$680,011

iLottery Program

PA 98-499 authorized the Lottery to sell Lotto, Mega Millions, and Powerball tickets on the internet, through a 48-month pilot program that began in January 2014. In June 2016, the Illinois Legislature removed the “pilot” designation from the iLottery program, and included a sunset of July 1, 2017. That sunset date was extended to July 1, 2018, under PA 100-0023.

FY18	Internet Sales
Q1	\$6.6 million
Q2	\$6.4 million
Q3	\$8.7 million
Q4	
Total	\$21.7 million

Responsible Gaming

The Illinois Lottery is proud to engage in a responsible gaming program to ensure revenues are raised in a socially responsible manner. In Quarter 3, March was Problem Gambling Awareness Month. To increase public awareness of problem gambling and the availability of prevention, treatment and recovery services, the Lottery launched a digital campaign to showcase key messages about problem gambling on the Lottery’s website and through its social media channels. The key message delivered was: “Know the game. Set your limit. Play within it.” It also promoted that help and hope were available, and it encouraged players who might have a problem to have a conversation about it.

The Illinois Lottery maintains membership and support of the Illinois Alliance on Problem Gambling, National Council on Problem Gambling, and the World Lottery Association. The Lottery’s commitment to responsible gaming also includes providing funds for the Gambling Hotline (1-800-GAMBLER).