



QUARTERLY REPORT ON THE PRIVATE MANAGEMENT AGREEMENT

Quarter 4 (April 1, 2018 – June 30, 2018)

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(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 4 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	\$744 million	\$212,635,000	\$897,237
Total	\$2.926 billion	\$718,750,000	\$3,633,573

Specialty Ticket Name	FY18 Transfers
Veterans Cash	\$1,022,042
Ticket for the Cure	\$582,118
The MS Project	\$612,685
Red Ribbon Cash	\$456,017
Special Olympics	\$960,711

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. The sunset date was again extended by a year – to July 1, 2019 – under PA 100-0587.

FY18	Internet Sales
Q1	\$6.6 million
Q2	\$6.4 million
Q3	\$8.7 million
Q4	\$5.9 million
Total	\$27.6 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 4, the Lottery placed print and digital advertising – in English and Spanish – throughout the State with the message: “All in Moderation,” reminding players that while the Illinois Lottery offers games that are fun and exciting, they shouldn’t “bite off more than they can chew.” The ad featured a mouse staring at a mountain of cheese.

The Illinois Lottery maintains membership and support of the Illinois Alliance on Problem Gambling, Illinois Council 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).