



QUARTERLY REPORT ON THE PRIVATE MANAGEMENT AGREEMENT

*Quarter 1 (July 1, 2018 – September 30, 2018)
Submitted December 6, 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 January 2019.

Overall Sales and Transfers to Good Causes

Below are the FY19 Quarter 1 sales and transfers to good causes:

FY19	Sales	Transfers to Common School Fund	Transfers to Special Causes
Q1	\$729 million	\$156,078,000	\$891,226
Q2			
Q3			
Q4			
Total			

Specialty Ticket Name	FY19 Transfers
Veterans Cash	\$0
Ticket for the Cure	\$30,653
The MS Project	\$59,598
Red Ribbon Cash	\$384,477
Special Olympics	\$416,498

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.

FY19	Internet Sales*
Q1	\$8 million
Q2	
Q3	
Q4	
Total	\$8 million

*-Internet sales do not include subscription sales, which totaled \$4 million in Q1

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 1, the Lottery created “Be Smart, Play Smart” brochures promoting responsible play that were distributed to all Lottery retailers in October 2018. Retailers who have concerns about an individual’s lottery game play can use the brochure to discreetly provide the individual with resources on problem gambling. The brochure is part of the Lottery’s long-term commitment to promote responsible play and provide convenient access to treatment and support options across the state of Illinois.

In August, Lottery Sales Representatives received responsible gaming training to help them understand their roles and responsibilities in promoting responsible play across the retail network.

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).