



QUARTERLY REPORT ON THE PRIVATE MANAGEMENT AGREEMENT

Quarter 2 (October 1, 2018 – December 31, 2018)

Submitted February 8, 2019

(20 ILCS 1605/9.1)

Respectfully submitted to:

Illinois Governor J.B. Pritzker

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 February 2019.

Overall Sales and Transfers to Good Causes

Below are the FY19 Quarter 2 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	\$831 million	\$187,668,000	\$1,035,999
Q3			
Q4			
Total			

Specialty Ticket Name	FY19 Transfers
Veterans Cash	\$557,407
Ticket for the Cure	\$368,202
The MS Project	\$86,369
Red Ribbon Cash	\$420,348
Special Olympics	\$494,899

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	Subscription Sales	Total iLottery Sales
Q1	\$8 million	\$4 million	\$12 million
Q2	\$15 million	\$4.5 million	\$19.5 million
Q3			
Q4			
Total	\$23 million	\$8.5 million	\$31.5 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 2, the Lottery promoted responsible play with a "Gift Responsibly" public campaign to raise awareness about the risks of underage lottery play. The campaign included a news release, a banner on our website and messages posted on Facebook, Instagram and Twitter.

Lottery Sales Representatives (LSRs) received responsible gaming training, along with pre- and post- surveys to measure changes in their understanding and awareness of responsible play and problem gaming. Post training results showed an increased understanding in how to help potential problem gamblers.

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).