



## **QUARTERLY REPORT ON THE PRIVATE MANAGEMENT AGREEMENT**

*Quarter 2 (October 1, 2017 – December 31, 2017)*

*Submitted February 20, 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:

<b>FY18</b>	<b>Sales</b>	<b>Transfers to Common School Fund</b>	<b>Transfers to Special Causes</b>
Q1	\$720 million	\$153,410,000	\$436,654
Q2	\$704 million	\$184,460,000	\$829,131
Q3			
Q4			
Total	\$1.424 billion	\$337,870,000	\$1,265,785

<b>Specialty Ticket Name</b>	<b>FY18 Transfers</b>
Veterans Cash	\$438,283
Ticket for the Cure	\$363,853
The MS Project	\$60,442
Red Ribbon Cash	\$355,079
Special Olympics	\$48,128

**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.

<b>FY18</b>	<b>Internet Sales</b>
Q1	\$6.6 million
Q2	\$6.4 million
Q3	
Q4	
Total	\$13.0 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 placed print and digital advertising throughout the State with the message: “Making a List? Check it Twice,” reminding players that when giving lottery tickets as gifts to double-check that the recipients are at least 18 years old.

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).