

Illinois Lottery Control Board
Open Meeting Minutes
May 15, 2019
122 S. Michigan Ave., 19th Floor
Chicago, IL 60603

Board Members:

- Elba Aranda-Suh
- Nimish Jani
- Lori Yokoyama

Illinois Lottery Staff in attendance:

- Harold Mays, Acting Director
- Jessica White, Deputy General Counsel
- Carol Radwine, Chief Financial Officer (via video conference)
- Amber Chappell, Finance Manager (via video conference)
- Scott Gillard, Chief of Staff
- Jason Schaumburg, Communications Director
- Joe Weiss, Sales Manager
- Guadalupe Marin, Director's Assistant
- Nora Iniguez, Lottery Control Board Secretary

Camelot Staff in attendance:

- Colin Hadden, General Manager
- Keith Horton, General Counsel
- Kelsey Young, Director of Business Planning
- Fergus Roche, VP of Technology
- Gareth Moore, VP of Marketing

Other Attendees:

- Kathy Gilroy, member of the public
- Manahar Patel, Lottery retailer

Call to Order/Roll Call

Jessica White, Deputy General Counsel called the meeting to order at 1:35pm with a quorum present. All in attendance stated their names for the record. The election of a new board chairman will have to be voted on for the new fiscal year.

Public Comment

None

Old Business

Meeting minutes from February 6, 2019 were motioned for approval. The motion was seconded by Ms. Aranda-Suh and motion was carried unanimously.

New Business-Election of Lottery Control Board Chairman

Board member Nimish Jani motioned to schedule the election of new Board Chairman until the first meeting of the new fiscal year. Board members Aranda-Suh and Yokoyama seconded the motion and motion was carried.

Illinois Lottery Control Board
Open Meeting Minutes
May 15, 2019
122 S. Michigan Ave., 19th Floor
Chicago, IL 60603

New Business-Legal Update

Jessica White, Deputy General Counsel, stated to the board members that the Lottery has three pending hearings:

1. One hearing was settled involving a lottery retailer owing money.
2. There was a favorable termination from an ALJ regarding a license denial.
3. We currently have an administrative hearing regarding a license denial.

Director's Report

Sales Performance: Collin Hadden, presented to the board members several slides with graphs showing year to date sales summaries July 1st through April 29th.

- Overall sales year over year up 3 % with a large spike in draw-based game sales due to a large jackpot.
- In state draw based games (Illinois only) were impacted due to the Lottery's technical transition with equipment and service issues but are now recovering.
- Instant games saw a decline in sales due to the technical transition in which less games were issued over last year as well as other factors. There is a strong plan in place and an expectancy by end of year to be trending in a good place going into next year.
- iLottery sales are up with a 32.9 % growth with a new website and mobile app which includes face ID and fingerprint recognition.
- iLottery players increased with 57. 4% in growth since last year but with a slight decrease in average spend.

Advertising & Marketing: Gareth Moore presenting to the board.

February 2019

- Instant-continued support of Instant tickets "10 Years of Cash" which concept tested very well
- Draw -continuing using time creative tag of "How would you spend all that time:" Media was jackpot focused until March Instants went live
- Experiential-none

March 2019

- Instant-Lucky 7's Instant tickets launched supported by point of sale, tv, radio, CTA, Trivision, Mobile Geo-targeting and many others. Multiple Sclerosis Specialty ticket launched with out of home and digital
- Draw-Jackpot for both Mega Million and Powerball supported on draw days by radio, out of home and digital and incremental support provided for large rolls in March
- Experiential-activation with tv show "Windy City Live to support MS ticket and support of the MS walk

April 2019

- Instant-Continued support for the Lucy 7's instant tickets, Special Olympics specialty ticket released
- Draw- Pick 3/Pick 4 message test on Facebook and continued jackpot support on draw days on radio, out-of-home and digital media
- Experiential-gaming campaign, "**Play for fun, not for funds,**" supported by print, out-of-home and digital media

May 2019

- 5 Instant tickets released, **Cash X10 (\$1), Police Memorial Specialty ticket (\$2), Diamond Quest (\$3), Deal or No Deal (\$5)** and with 2nd chance component and **Mega Cash (\$20)**

Illinois Lottery Control Board
Open Meeting Minutes
May 15, 2019
122 S. Michigan Ave., 19th Floor
Chicago, IL 60603

Board member Elba Aranda-Suh made a comment on how well the Police Memorial specialty ticket launch event was shared on social media by two senators to different community organizations. She would like to see the Lottery's social media page share what legislators are posting to their sites to make sure all see the good the Illinois Lottery is doing with this ticket. Board member Yokoyama attended the event and stated that the launch was excellent with perfect weather and great press coverage.

Board member Nimish Jani wanted to make sure that the commercials and advertisement reach to help the small mom and pop stores in smaller towns. Gareth Moore stated that there is a retail plan that works the entire state to accommodate the smaller independent stores.

Responsible Play and Corporate Social Responsibility-Keith Horton presenting to the board.

Player Education

- New player education launched in March to increase gambling literacy launched successfully
- New tagline **"Be Smart, Play Smart"** replaced old tagline of "Play Responsibly."
- New designed responsible gaming website pages where materials are laid out in easily digestible format within 5 topic areas., ***Our Commitment, Be Smart, Play Smart, Myths & Facts, How to Get Help, Player Security.***
- Problem Gambling Awareness Month has messages posted across social media: ***to reduce stigma, help and hope are available, your awareness may help a loved one with a gambling problem seek the necessary help, and problem gambling does not discriminate based on age, gender, religion, social status or education.***
#AwarenessPlusAction #PGAM
- Team Member training consists of problem gambling awareness training with a quiz to measure comprehensive and weekly PG messages to bring awareness of the topic to employees.

Finance-Carol Radwine presents to the board.

- Common School Fund Transfers for FY 2019 Planned is \$731,250,000
- Special Causes- for each specialty ticket where 100% of profits are transferred to agencies to distribute, as of 03/31/2009 the Lottery has transferred \$50.8 Million for these causes.
- The weekly sweeps of Lottery retailers netted \$293, 658,378. 63 in revenues to the State Lottery Fund during the 3rd quarter of FY2019 with a cash balance of \$99.9M.

Operations-Director Mays addresses the board.

- Staffing- Deputy General Counsel Rana Janney left the state, Ignacio Cuevas was hired as our Agency Procurement Officer and we are currently filling out other open positions.
- Private Manager and transition update-technical transition that changed the way Lottery does business and affected all primary systems, (website, ticket machines, mobile app) all equipment at the retail stores, was done in February 2019.
- We have begun with the early stages of a permanent point of sale rollout (ticket dispensers, hardware in retail stores, first thing customers see when walking into a store). The new equipment has brighter signage and is visually better to see.
- Lottery anticipated the challenges it is facing with a change this large and we are working proactively to address the issues presented.
- Legislative update-House Bill 3661 which affects the ILottery program, if passed it would allow Lottery to sell online with an extension of 3 more years and would allow to sell all games online the same way. Currently Pick

Illinois Lottery Control Board
Open Meeting Minutes
May 15, 2019
122 S. Michigan Ave., 19th Floor
Chicago, IL 60603

3 &4 and Lucky Day Lotto is sold in subscription format. If passed, the bill would allow to purchase one draw of each game. The bill passed both the house and senate and is on the floor for a senate vote.

- Budget Appropriation- legislative authority to spend money in accordance to the budget should pass.
- Audit-Office of Auditor General has started a full compliance audit which looks at what the agency is doing to ensure system integrity and is very comprehensive and labor intensive. Audit should be completed by the end of the year.
- Specialty Tickets- three tickets were launched since the last meeting, ***Special Olympics, Multiple Sclerosis***, and the ***Police Memorial*** ticket. Lottery is excited in supporting these tickets and it allows us to stay connected with what Lottery does and why we do it.
- Department of Justice Wire Act issued a guidance to their opinion that it does not apply to Lotteries. Decision is still pending.
- Lottery Control Board-new members have joined, and a Board Chairman must be elected, and both Bylaws and the Advertising Policy need to be looked at for any changes or updates going into the new fiscal year. Last changes were done in 2014.

Board member Lori Yokoyama asked if there can be more communication and involvement with the board members during the interim as things are progressing to be able to give input instead of just hearing about it at the end. The Director stated that Lottery can look at a way to keep the board members more engaged and look at the Bylaws to see if the governance structure of Lottery Control Board meeting can be voted on for an update.

With business concluded, Jessica White moved to adjourn the meeting. The motion was seconded by Mr. Jani and unanimously carried. Meeting was adjourned at 2:25pm.

Respectfully submitted,

Nora Iniguez
Lottery Control Board Secretary