



QUARTERLY REPORT ON THE PRIVATE MANAGEMENT AGREEMENT

*Quarter 3 (January 1, 2019 – March 31, 2019)
Submitted June 10, 2019
(20 ILCS 1605/9.1)*

Respectfully submitted to:

**Illinois Governor JB 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

After lengthy contract negotiations, the Illinois Lottery and Camelot Illinois entered into a new 10-year private management agreement on Oct. 13, 2017.

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 and began an extensive business and technology transition with the Lottery.

The Lottery and Camelot have nearly completed a total technology transition that represents one of the largest and most complex lottery transitions ever undertaken by a U.S. lottery. The transition included a new central gaming system, a new instant ticket management system, a new internal control system, all new retail terminals and equipment and a new website and mobile app that allow players to buy tickets for our draw-based games. A project to modernize the look of the Illinois Lottery in retail across the state with new permanent point of sale equipment will start in April and be completed in the next few months.

Overall Sales and Transfers to Good Causes

Below are the FY19 Quarter 3 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	\$706 million	\$171,171,000	\$1,007,504
Q4			
Total	\$2.266 billion	\$514,917,000	\$2,934,729

Specialty Ticket Name	FY19 Transfers
Veterans Cash	\$1,234,076
Ticket for the Cure	\$588,738
The MS Project	\$160,138
Red Ribbon Cash	\$456,878
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. HB 3661 was introduced in the Legislature this spring. It extends the program by three years - through 2022 - and allows the Lottery to offer Lotto, Lucky Day Lotto, Mega Millions, Powerball, Pick 3, and Pick 4 through the internet program.

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	\$8 million	\$4 million	\$12 million
Q4			
Total	\$31 million	\$12.5 million	\$43.5 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 3, the Lottery launched a new responsible gaming campaign called “Be Smart, Play Smart”. This replaced the “Play Responsibly” campaign we’ve used for years. The new campaign hopes to improve gaming literacy in Illinois. The March launch of the campaign coincided with National Problem Gambling Awareness Month. The new campaign was promoted through press release, social media posts, in-store messaging and paid advertising that drove players to new online content housed on the Lottery’s website, which features information about how games work, common myths about playing the lottery and practical tips for how to be smart when playing.

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).