



**REPORT ON THE WORK OF THE LOTTERY CONTROL BOARD**  
**FISCAL YEAR 2024**

*(20 ILCS 1605/7.8)*  
*February 2025*

*Respectfully submitted to:*

**Illinois Governor JB Pritzker**  
**Senate President Don Harmon**  
**Senate Majority Leader Kimberly Lightford**  
**Senate Minority Leader John Curran**  
**House Speaker Emanuel "Chris" Welch**  
**House Republican Leader Tony McCombie**

**The Illinois Lottery Control Board -- Background and Current Status**

Illinois Lottery Law (20 ILCS 1605/6) created an independent board - the Lottery Control Board (“the Board”) - consisting of five members appointed by the Governor with the advice and consent of the Senate. A chairman of the board is chosen annually from the membership of the board by a majority of the members of the board. Current members of the Board:

<b>Name</b>	<b>Term Expires</b>	<b>Board Member Since</b>
Sarah Alter	July 1, 2024	June 3, 2019
Diana Sheehan (Chairperson)	July 1, 2026	February 24, 2020
Alejandra Garza	July 1, 2024	July 1, 2021
Vacant		
Vacant		

The Board chair is Diana Sheehan who was elected at the September 2, 2020, meeting and has been re-elected each year since. The Board currently consists of three members with two vacancies. Alejandra Garza was appointed for a three-year term beginning July 1, 2021. Sarah Alter was reappointed to a three-year term on August 23, 2021, with the term ending on July 1, 2024. Diana Sheehan was reappointed to a three-year term on August 28, 2023, with the term ending on July 1, 2026.

The Board is required to hold at least one meeting each quarter of the fiscal year, and all Board meetings are open to the public pursuant to the Open Meetings Act. Meetings were held in fiscal year 2024 on August 2, 2023, December 7, 2023, April 3, 2024, and June 4, 2024.

**Lottery Control Board Activities**

**Quarterly Meetings.** During quarterly public Board meetings, the Board is updated on Department activities and year-to-date financial performance. There is an open discussion with the Department and Allwyn North America (“Allwyn”) about Department finance, marketing, game performance, legal administration, legislation, operations, compliance, and corporate social responsibility. The Board asks probing questions, provides insight, and offers suggestions to the Department in accordance with its role and responsibilities per the bylaws of the Board. Approved meeting minutes for the fiscal year 2024 can be found at [Lottery Control Board Minutes](#).

**Advisory and Oversight.** Throughout the year, Board members advised the Department on various aspects of the administration of the Lottery. In FY24, Board members participated in discussions with the Department and provided guidance in the areas of retail, marketing, and corporate social responsibility. The Board also actively participated in the review and approval of Allwyn's FY25 annual business plan. Oversight responsibilities are met and include review of periodic Department administration and operation reports, internal audit reports, yearly compliance audits, and monthly financial reports.

## **Quarterly Meeting Activity Summary**

### **August 2, 2023, Meeting**

#### **Approval of Meeting Minutes**

The Board unanimously approved the meeting minutes from April 26, 2023.

#### **Department Status Overview Presentation**

##### **Sales performance**

Board member, Sarah Alter asked if there is a way to track if players are only purchasing Powerball or Mega Millions when the jackpot is high. Allwyn stated that offering a promotion during high jackpots allows players to try different games, and that there is no specific basket data in retail but can thread together transactions based on the timeframe they are generated and through claimed data.

Board Chair, Diana Sheehan, asked if there is any cannibalization for players purchasing tickets in a store versus purchasing through the app. Allwyn responded that there might be some since the app offers convenience, but in store purchasing increases as jackpots rise.

Board Chair, Diana Sheehan, asked if there is a promotional campaign to offer an incentive on instants to players who are going in to purchase high jackpot Mega Millions or Powerball tickets. Allwyn explained that the trigger for retail promotions is generated via the terminal, so promotion is against the draw-based games. Allwyn also told the board that they are exploring other ways in driving retail incentives by offering digital coupons via email on offering money off or free scratch ticket.

Board Chair, Diana Sheehan, asked if there is truly a correlation to instant sales going up during high jackpots. Allwyn informed that there is not a significant correlation, but the Lottery sees a small bump in the lower price point tickets during these runs.

Board Chair, Diana Sheehan, asked if the product strategy on Fast Play has the same cadence as instants. Allwyn answered that the cadence used is in offering new releases and keeping people interested which is like the instant tickets.

Board Chair, Diana Sheehan, asked if the incrementality varies or is similar in dropping new products in retail versus digital. Allwyn answered that it is more incremental with online sales.

Board Chair, Diana Sheehan, asked if there is any research done to explore fewer newer products only for retail versus focusing more on adding new products in digital. Allwyn stated that it is not one or the other but finding the sweet spot between both. Retail business continues to be the bread and butter, and the instant launch cadence remains consistent every month. Information is constantly evolving which means the portfolio should evolve to meet the consumer's needs.

### Marketing

Board Member, Sarah Alter, asked if Lottery has investigated connecting with a food delivery service like Uber Eats that can control alcohol sales in possibly delivering Lottery tickets. Allwyn stated that there are some responsible play and regulatory issues that would have to be addressed. Board Member Alter continued discussion on the delivery of tickets with Allwyn.

Board Member, Alejandra Garza, asked if anyone present attended the Fiesta Del Sol or Chinatown Summer Fair. She states that these festivals brought in 1.2 million people over a 4-day span.

### Public Relations and Responsible Play

Board Member, Sarah Alter, asked if there is something that shows which products carry the most risk. Allwyn stated that tests show that it is in the holiday instant tickets that are bright and shiny.

Board Chair, Diana Sheehan, asked if the Responsible Gaming guide has been translated to other languages besides Spanish. Allwyn stated they would follow up with the Board.

Board Chair, Diana Sheehan, requested for a better explanation on the positive play study findings mentioned by Allwyn.

Board Member, Alejandra Garza requested the results for both Fiesta Del Sol and Chinatown Summer Fair.

## **December 7, 2023, Meeting**

### Board Chair Nomination

Deputy General Counsel, Maryann Hong, addresses the Board and states that per Lottery Law, a new Board Chair must be nominated each year. Board Members Sarah Alter and Alejandra Garza nominate Diana Sheehan. All members vote and approve the nomination of Diana Sheehan to continue her role as Board Chair.

### Public Comment

Kathy Gilroy has a question about the 2024 LCB meeting dates. Lottery Control Board Secretary, Nora Iniguez, states that the 2024 meeting dates will be voted on and approved at this meeting and posted to the website.

### Approval of Meeting Minutes

The Board unanimously approved the meeting minutes from August 2, 2023.

### Scheduling of Quarterly Meetings

Board members vote and unanimously approve and pass next year's meeting dates as the following:

- Wednesday, April 03, 2024
- Wednesday, June 26, 2024
- Wednesday, September 25, 2024
- Wednesday, December 11, 2024

### Department Status Overview Presentation

#### Sales Performance

Board Chair, Diana Sheehan, asked if the decline we are seeing in instants is consistent with the other states. Allwyn responded saying the Lottery is in the mid-range with the other state lotteries.

Board Chair, Diana Sheehan, suggested that within the tracking of the progress and incrementality of the new \$50 Instant ticket, and as we prepare for years 24 & 25, let's keep in mind what we are going to have to lap going into next year.

Board Member, Sarah Alter, suggested tracking of the new \$50 Instant ticket to see if the purchase was for oneself or a gift. Allwyn says they will have performance data for the next meeting.

Board member, Sarah Alter, complimented Allwyn North America on their latest commercial for the Lottery App.

Board Chair, Diana Sheehan, asked if in figuring out what metrics of tracking to use, we're seeing what people play within the past 90 days to track progression be something new going forward. Allwyn stated that tracking player within the last thirty days is more relevant especially tracking the variation of spikes when jackpots are high. Allwyn stated that the team looks at different metrics in detail.

#### Marketing

Board Member, Alejandra Garza, asked if after seeing the results of the sweepstakes and experiential activations, are there some not to be considered for 2024 especially the ones done at the Fiesta Del Sol and Chinatown Summer Fair. Allwyn stated that these are done to drive people to register for an online account. Sweepstakes with sports teams comes as part of a sponsorship and are low cost. One thing learned from last year is that people prefer cash/gift cards. Allwyn added that the main goal for the community experiential activations is to support the community and build the brand and reputation by having a presence.

Board Chair, Diana Sheehan, asked if there is a QR code on the back of the instant tickets that take you to the app. Allwyn stated that instant tickets do have this, and new ticket stock was ordered to have the QR code on the back of the draw games.

### Public Relations and Responsible Play

Board Member, Sarah Alter, asked how we will ascertain what amount goes to each cause. Director Mays stated that proceeds will be equally divided.

## **April 3, 2024, Meeting**

### Approval of Meeting Minutes

The Board unanimously approved the meeting minutes from December 7, 2023.

### New Business

The Lottery's Advertising policy outlines standards by which the Lottery and its private manager conduct their advertising. Maryann Hong, Deputy General Counsel, explains that an updated format was sent to the Board Members for their review and approval. The advertising policy has no substantive changes, but an updated format was done to match current policy documents and a signature page was added. Board Members vote and unanimously approve the Advertising Policy.

### Department Status Overview Presentation

#### Sales Performance

Board member, Alejandra Garza, asked if there is any research or thoughts on why there is a decline in instant ticket sales across some of the states? Allwyn stated that looking into bank balances across the US, money that was saved up during the financial support of COVID is slowly becoming depleted which can be one cause as a decline in sales.

Board Member, Alejandra Garza, also asked if the Lottery sees a decrease in scratch ticket and an increase in online play? Allwyn stated there is not a massive change although there are players who will play both in retail and online, but for the most part, players are different. Allwyn continued that other competitive products are seeing similar effects, which had a boost during COVID and are seeing a return to normal.

Board member, Sarah Alter, gives examples of how consumers are using an online app for purchases and doing away with paper money. Allwyn said that consumers mostly use cash at retail, but the Lottery will soon be introducing the ability to use a credit card at the Lottery vending machines inside retail stores.

Board Chair, Diana Sheehan, and Board Member, Sarah Alter, asked for details in the performance of the \$50 instant Ticket within the first year in other states and who in Illinois is purchasing this ticket? Allwyn stated that the other states have had great sales as Illinois with an approximate sale of \$1 million in sales a day.

Board Member, Sarah Alter, asks for statistics on spending for these jackpots in comparison to before when they weren't as frequent. Allwyn stated that people in Illinois are spending the same amount.

Board Member, Sarah Alter, asks if there are statistics on whether consumers are online players or are they cross channel players? Allwyn explained that purchasing at retail is anonymous, but they have more knowledge of players who are registered online and use the app to scan their tickets.

Board Chair, Diana Sheehan, asked if we have enough players subscribed on the iLottery platform to ask them questions and use them as a panel? Allwyn responded that it does.

Board Chair, Diana Sheehan, asked what is being done for next year's Business Plan regarding jackpot fatigue and \$1 billion dollar jackpots when interest rates go down and people are not paying attention to the high jackpots. Allwyn stated that the annuity rates will drop down but slowly. It will be difficult to predict the consumer psychology on what players think, but hopefully players will be interested again as the high jackpots are not as frequent. Allwyn continued that we are not relying on Mega Million and Powerball game performance and are adding more games and interesting content to the portfolio and that is the key driver in the sales of the draw-based games.

Board Member, Alejandra Garza, asked, if there is an impact in the number of retail stores that closed during COVID and had sold quite a few instant tickets. Allwyn stated that the stores that closed were low in ticket sales and did not make an impact.

Board member, Sarah Alter, suggested to possibly market different occasions like a birthday ticket as a gift to get consumers to purchase a ticket.

Board chair, Diana Sheehan, suggested that we know interest rates are going down and there will be a consolidation of grocery and convenient stores. We cannot predict the future but are we planning accordingly for the FY25 Business Plan and suggests we look at what variables we need to proactively have a backup plan for to ensure we are doing well. Allwyn stated that they are looking at product and channel mix for the upcoming year.

Board member, Sarah Alter, suggested one variable to look at is possibly collaborating with Instacart or Amazon grocery.

### Finance

Board Members, Diana Sheehan, and Sarah Alter, asked for an explanation in the increase in the percentage of total operating expenses between FY23 and FY24. Allwyn explained how a large price liability can be when a Pick 4 game is hit. The Pick Game resulted in a \$7 million higher price cost this year versus last. Changes were made three to four years ago to improve the margin and reduce the capital. Board Member, Sarah Alter, requested to investigate what the Department can do to protect that margin. The Department confirmed that the higher payout games drive up the price expense but also drives up sales.

### Marketing

Board Member, Sarah Alter, asked if there has been a birthday themed ticket. Allwyn stated they will follow up with that information.

Board Member, Sarah Alter, suggested mentioning how much the Lottery has given to the schools.

### Director's Comments

Board Member, Sarah Alter, asked who conducts the audits for the Department. The Director states that it is managed by the Office of the Auditor General who then contracts an accounting firm to do the actual work.

Board Chair, Diana Sheehan, congratulated Amber Chappell on accepting the role as Chief Financial Officer and the Director on his reappointment. Board Chair, Diana Sheehan, thanks the Department and Allwyn-North America for all their great work.

## **June 4, 2024, Meeting**

### Approval of Meeting Minutes

The Board unanimously approved the meeting minutes from April 3, 2024.

### Finance

Board Members request information regarding the pilot test program for the cashless vending machines. Richard Fairbanks provides the following details:

- Pilot program will last for two weeks pending there are no issues and then a full roll out will be done over the state covering 3300 retailers.
- Traffic, volume, demographics, and location were considered for the initial 25 retailers which includes partnership stores and high-volume independents.
- Location was a factor in the ability to get there easily in case something needed to be fixed.
- Different accounting methods were tested at the various partnership headquarters.
- Fifty percent of Instant sales come from vending machines.
- Communication to consumers is being conducted through the Lottery retailers and Lottery Sales Representatives.

Board Chair, Diana Sheehan, asked if access to credit card numbers allow to better understand psychographics of potential participants. Allwyn stated that information may have to be purchased through World Pay which houses the information but will follow up on what details can be provided.

Board Chair, Diana Sheehan, and Board Member, Sarah Alter, engaged Allwyn and Lottery in a discussion of the instant ticket portfolio, the dynamics between different price points, and the plan for future growth. Allwyn informed the board that \$50 instant customers were primarily core players and that they did anticipate cannibalization of the \$20 and \$30 price points but to this point it has shown to be less than

forecasted. Allwyn continued that according to other states, there will be a slight decline over time with two \$50 tickets in the market but are projecting an increase in sales to be driven by cashless purchases.

Board Chair, Diana Sheehan, asked if this a consistent trend in other states that sales are flat in draw-based games without a big jackpot, a decline in instants and iLottery being is the way Lotteries are growing. Allwyn stated that most states are ebb and flow with the multi-state jackpots. As we cannot control the jackpots, we are looking at Fast Play as the driving force for draw based games. Director, Harold Mays, added that according to our draw-based games portfolio, we are seeing that Fast Play is giving the bump in sales without the multi-state games, so we need to focus on how we anticipate Fast Play to grow.

Board Members would like to know what comes next in forecasting for growth for the next year. Where will Lottery invest its time and money? Director, Harold Mays, states that this is a consistent discussion in our business planning meetings and currently the Department will continue to invest in Fast Play, retail, new innovations, and new games. Allwyn stated it will be a combination of things consisting of the plan to study foot traffic for retail expansion, enhance point of sale, and launching new Fast Play games.

Board Members would like to see some key elements in the detail of growing total points of distribution at the next meeting.

Director, Harold Mays, adds that retail is always the answer and studying the state of retail is something that we have been working on for a long time. Allwyn explained the challenges Illinois faces with retail stores which includes stores that have closed during covid, and not enough workers.