



DEPARTMENT OF LIQUOR AND LOTTERY TASK FORCE

VERMONT LOTTERY COMMISSION OVERVIEW



AGENDA

1. LOTTERY 101
2. ORG CHART
3. MERGER OPPORTUNITIES
4. MERGER CHALLENGES
5. DISCUSSION AND QUESTIONS



LOTTERY 101

- 1977 Lottery is established
- 1978 First ticket sold (Green Mountain Game)
- 1985 Tri-State Megabucks established (ME, NH & VT)
- 1998 Lottery profit goes to Education
- 2003 Joined the Multi-State Lottery Association (MUSL)
- 2003 Powerball begins in VT
- 2010 Mega Millions begins in VT
- 2012 Lucky for Life begins in VT
- 2017 Executive Order



LOTTERY 101

- Staff of 21 (5 field sales reps)
- 75% of sales are Instant (scratch) tickets (stored, shipped from HQ)
- 25% online sales regulated by external standards and guidelines
- 2 major vendors (Intralot, Pollard Banknote)
- Tri-State compact influences decision-making
- Vermont Lottery is the Business Office for Tri-State
- Cash only sales at over 650 locations in VT
- 100% of profits directly benefit the Education Fund
- independent audits required per statute

ORG CHART



MERGER OPPORTUNITIES FOR LOTTERY

Training

Enforcement

Licensing

Increased
Product line

Greater
Legislative
advocacy

MERGER OPPORTUNITIES FOR LOTTERY

Training: ability to train agents at central location

Enforcement: increased field operations and staff

Licensing: combined into one streamlined process

Increased Product line: pull-tabs, touchplay consoles

Greater Legislative advocacy: 2 departments have a louder voice

MERGER CHALLENGES FOR LOTTERY

Combined
POS

Sales
locations

Marketing
restrictions

Accounting
differences

Cash versus
Credit

MERGER CHALLENGES FOR LOTTERY

Combined POS: multiple regulatory bodies demand exclusive system and special ticket stock

Sales locations: currently only overlap on 80 of 650+ locations. Legislatively prohibited from selling lottery in bars, taverns and fraternal organizations

Marketing restrictions: advertising agency contracts and restrictions on cross-marketing that exist

Accounting differences: Lottery profits go directly to the Education Fund, Liquor profits do not

Cash versus Credit: lottery can only be purchased with cash, liquor with credit

MERGER CHALLENGES POSSIBLE SOLUTIONS

Combined POS: implement NASPL developed API and gain authority to sell online tickets on plain paper vs current ticket stock method. Currently unprecedented nationally in lottery industry.

Sales locations: remove legislation that prohibits Lottery Agents from holding 1st and 3rd class liquor licenses

Marketing restrictions: because the marketing messages, funding, teams and past are so different, this is difficult to present possible solutions for.

Accounting differences: work with Finance and Management to restructure the new business units fund codes and department ID codes to accomplish the separation of income and expenses to facilitate desired profit distribution

Cash versus Credit: keep the collections accounting of the sales and settlements of liquor and lottery separate



QUESTIONS & Discussion