

MINORITY BUSINESS PARTICIPATION

IN THE
GEORGIA LOTTERY
CORPORATION

DECEMBER 2017



Table of Contents

Introduction	2
Minority-Owned Retailers	3
Minority-Owned Businesses	5
Employment	6
HBCU Partnership Program	7
Community Events	9
Conclusion	10

Introduction

Since its inception in 1993, the Georgia Lottery Corporation (“GLC” or “Corporation”), as a responsible citizen of the corporate and government communities, has engaged in a concerted effort to ensure the fair involvement of minority business enterprises (“MBEs”) in its operations. By maintaining a systematic record of these practices, the GLC is able to monitor the success of these programs. Pursuant to Section 14 of the Georgia Lottery for Education Act (Official Code of Georgia §50-27-1, et seq., as amended) the GLC will “report the results of minority business participation to the Governor (of Georgia) at least on an annual basis.”

The GLC Board of Directors and employees are pleased to present this report documenting the scope of minority business participation in GLC operations for the period October 1, 2016 through September 30, 2017.

Minority-Owned Retailers

The GLC's mission is to maximize revenues for the Lottery for Education Account through the sale of entertaining lottery tickets. Retailers throughout the state partner with the Corporation to promote and sell lottery products. The GLC's sales division continually recruits new corporate and independent retail outlets to help achieve its mission of increasing profits for Georgia's HOPE Scholarship and Pre-K Programs. The contributions of these outlets, or retailers, have been an important factor in the success of the GLC.

For the 2017, reporting period, the GLC enjoyed contracting relationships with a total of 8,675 retailer accounts. Of that total number, an estimated 3,243 retailers have identified themselves as minority-owned, or controlled by a member of an ethnic minority group.



The minority-identified retail outlets decreased by 3.45% in the past year. More than half of all retailers did not identify their ethnicity on their retailer application.

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Minority-Owned Retailers



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Approximately 94% of all minority retailers, or 3,036 retailers, identified themselves as members of the Asian-American population. Our records reflect that African-Americans compose the second largest ethnic group of minority retailers, with 148 outlets, or 4.5% of all identified minority retailers. Hispanic-American retailers represented one percent (1%) of minority retailers, and Native Americans were less than one percent (0.5%) of all minority retailers.

Georgia Lottery Corporation Retailer Network			
<i>(October 1, 2016 through September 30, 2017)</i>			
<i>Not Given</i>	4,041	Percentages:	<i>Background Not Given</i> 47%
<i>Non-Minority</i>	1,391		<i>Minority</i> 37%
<i>Asian-American</i>	3,036		<i>Non-Minority</i> 16%
<i>African-American</i>	148		
<i>Hispanic</i>	40		
<i>Native-American</i>	19		

Minority-Owned Businesses

The GLC's purchasing or procurement process continues to provide a major opportunity for the involvement of minority businesses. Expenditures by the GLC with minority businesses can be divided within two (2) categories: a) direct procurement opportunities with the GLC; and b) subcontracts with the GLC's major vendors. A total of \$8,387,479.88 was spent with MBEs during this reporting period, an increase of \$1,104,034.76 over last year.

To conduct its corporate operations, the GLC regularly purchases products and services utilizing several MBEs as providers. During the 2017 reporting period, a total of \$399,512.45 was spent by the GLC directly with minority-owned businesses in Georgia. Figures do not include lease payments, subscriptions, utilities, taxes, investment banking services and payments to governmental entities. Of particular note, we are proud to announce that during 2017, the GLC sought new bids for draw auditing services and Preston & Associates, a local woman and minority-owned firm, whose principal is Melissa Preston (pictured), won the contract for the midday draw audit.



Melissa Preston
CPA Founder & President

Partnering with the GLC's major procurement vendors provides the majority of contracting opportunities for minority businesses. The GLC currently has three (3) major procurement contractors: BBDO Atlanta for advertising services; IGT Corporation ("IGT") for on-line lottery gaming services; and Scientific Games Corporation ("Scientific Games") for instant ticket printing and distribution services. Since 1993, over \$225,846,034.54 has been paid to MBEs for products and services.

During the current reporting period, MBEs received a total of \$7,987,967.43 out of the total dollars spent with the three (3) major procurement contractors. IGT was the largest major contractor of MBEs; its minority subcontractors were paid a total of \$4,955,111.73 for services rendered. BBDO Atlanta advertising agency sent \$2,249,405.65 to its minority subcontractors and minority-owned media. Scientific Games procured a total of \$783,450.05 from its minority subcontractors.

EMPLOYMENT

The GLC generated over \$4.528 billion in gross sales and \$1.101 billion in profits in Fiscal Year 2017, with an employee population of only 359 employees statewide.

Within the Georgia Lottery's employee base, 241 persons (67.1%) are members of ethnic minority groups, and 202 persons (56.2%) are women.

In 1996, the GLC's Board of Directors formally adopted the Corporation's Equal Employment Opportunity Policy ("Policy"). This policy incorporates fair standards for the hiring and promotion of employees at the GLC.

During the reporting period of this document, fifteen individuals comprised senior management. Of these fifteen individuals, five were minorities and three were women.

Of the sales force,
60%
are minorities and
54%
are women.

Of the non-sales staff,
71%
are minorities and
58%
are women.

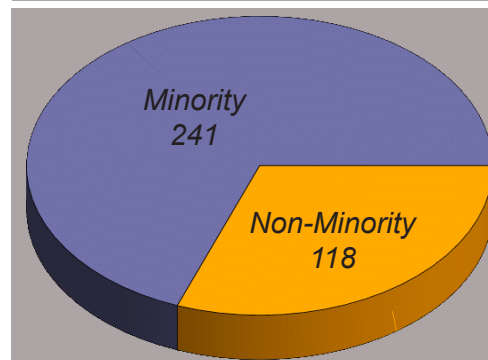
Employment Opportunities

The Georgia Lottery Corporation, an equal opportunity employer, posts its employment opportunities on the Georgia Lottery web site at www.galottery.com under the "about us" section.

Contact: Toni Kidd, Human Resources Manager,
404-215-5063, tkidd@galottery.org

Georgia Lottery Employees

Ethnic Diversity



GLC Employee Ethnicity Breakdown

<i>Black</i>	227 (63.2%)
<i>White</i>	118 (32.9%)
<i>Asian-American</i>	8 (2.2%)
<i>Hispanic</i>	4 (1.1%)
<i>Unspecified</i>	2 (0.6%)
Total Population	359

GLC Employee Gender Breakdown

Total Females	202 (56.3%)
Total Males	157 (43.7%)
Total Population	359

College Internship Program HBCU Partnership



Left to Right Back: Darlene McCurry, Ryan McDonell, Quintavious Jeffery, Kayla King, Roderick Harvey, Chidera Obinali, Vanshun James, Favour Odetokun, Souvick Kar, Grant Walker, Dominique White, William Podres, Omolayo Ogunnoiki

Left to Right Front: Diamond Lester, Timia Harden, Tashima Freeman, Nade'sia Doute', Sierra D'Avilar, Khadijah Wright, Kiuana Dean, Hee Park, Iswarya Chidipudi, ShaRon Patterson

For over twenty years, the GLC—in partnership with IGT, has participated in a student internship program to introduce undergraduate students from Georgia's colleges and universities, with a focus on Georgia's HBCUs, to the corporate workplace. Through this program, the GLC and IGT receive enthusiastic and hard-working student interns to work in financial, administrative and technical roles. In exchange, the students receive valuable on-the-job training and a competitive salary. Since 1994, more than 332 students have participated in this program. In 2017, twenty-three interns were employed at the GLC and IGT. Placements held by students encompassed a wide range of areas.

At the GLC, interns gained valuable real-life work experiences in Marketing and Promotions, Sales, Information Technology, Administration, and Finance. At IGT, interns were placed in the Administration, Marketing and Field Services Departments, as well as in the Back-Up Data Center. To enhance their experience and gain additional knowledge about the lottery industry, interns toured the Scientific Games' printing facility and IGT's computer operations facilities. They also attended a live lottery drawing at WSB-TV and received lottery terminal operations training. The success of the internship program is further reflected in the post-graduation decisions of the students. Although a formal tracking program does not exist, approximately 50 former interns have become full-time employees of the Georgia Lottery Corporation and IGT, and several have continued their studies in graduate school.

College Internship Program HBCU Partnership



Kayla King is from Fort Oglethorpe, GA. She is a senior, majoring in economics at Spelman College. She would like to take this opportunity to thank you for allowing her to intern with GLC this summer. Her experience here was extremely rewarding. During her time here, she had the opportunity to meet and work with some incredible staff members in the Prize Validation department. Within this department she was able to learn about validating tickets, payments, and claim forms, in which she was able to sharpen her communication, work ethic, and presentation skills. This internship experience also allowed her to gain a greater sense of knowledge about the lottery world as well as prepare her for the workforce that lies ahead. Once again thank you for presenting her with this opportunity to work at your company as a Prize Validation intern.



Kiwana Dean, is from Athens, GA and attends Fort Valley State University. She was an intern in the Retailer Contracts Department. During this internship, she had a great opportunity with working with the COAM staff. She was able to learn the ins and outs on what it takes to process and help an applicant have Georgia Lottery a part of their business. She was taught the COAM credit criteria and an ongoing list of requirements the retailer or non-retailer must meet. She was given her applications to handle and also had a chance to meet some applicants in-person and some over the phone; it was a very great way to test her professional communication and business skills.



Vanshun James, is a senior accounting major at Fort Valley State University. He grew up in a very small town called Montezuma, the town has roughly 4,000 people in total. While being an intern here at GLC, he has acquired new knowledge and new skills. Working alongside with his immediate team (Rose King, Nadlie Smith and Zenovia DeWitt), he has strengthened his professionalism and gained valuable insight on what to expect in the corporate accounting world. The information that he has learned will definitely benefit his potential in the accounting field. Working on different projects helped him become a better communicator and in addition, it allowed him to introduce his values to the team and what he had to offer. Thanks for the experience GLC and IGT.

College Internship Program – HBCU Partnership

For the twenty years, the Georgia Lottery and IGT Corporation have partnered with Georgia's Historically Black Colleges and Universities for a paid student internship program to introduce undergraduate students from Georgia's HBCUs to the corporate workplace. Application and interview process takes place each Spring.

Contact: *Toni Kidd, Human Resources Manager, 404-215-5063, tkidd@galottery.org*

Community



The Georgia Lottery Corporation (GLC) Marketing and Promotions department supports the GLC's mission through sponsorship of community events and programs throughout the state of Georgia. During the 2017 fiscal year, the Georgia Lottery continued its support of community events in Georgia by implementing event activities aimed at providing maximum awareness for our products and commitment to education. Over the last year, the GLC implemented nearly 100 event days with various community, collegiate, media and professional sport organizations. The GLC is proud to have sponsored the following minority events during the 2017 fiscal year:

- Atlanta Tribune: The Magazine (Atlanta Tribune's Hall of Fame Event)
- Fountain City Classic
- Savannah State University (Dollars for Degrees Program)

Community Event Sponsorships

The GLC sponsors community events to promote our games and beneficiaries throughout the state. For more information, please contact Chanda J. Brown at Cbrown@galottery.org or Lawrence Hunter at Lhunter@galottery.org

Conclusion

The Georgia Lottery Corporation continues to fulfill its statutory mission by generating revenues for selected educational programs in Georgia through the operation of an efficient, well-run enterprise. Since inception, the Georgia Lottery has raised more than \$19 billion for specific educational programs in Georgia. These programs have benefited more than 1.8 million HOPE recipients and 1.6 million Pre-K students throughout the state of Georgia.

The GLC's partnerships with MBEs is an important factor in its success. The GLC continues to actively recruit minority-owned retailers to sell our products, and strongly supports and encourages the participation of minority business enterprises in its procurement process.



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