

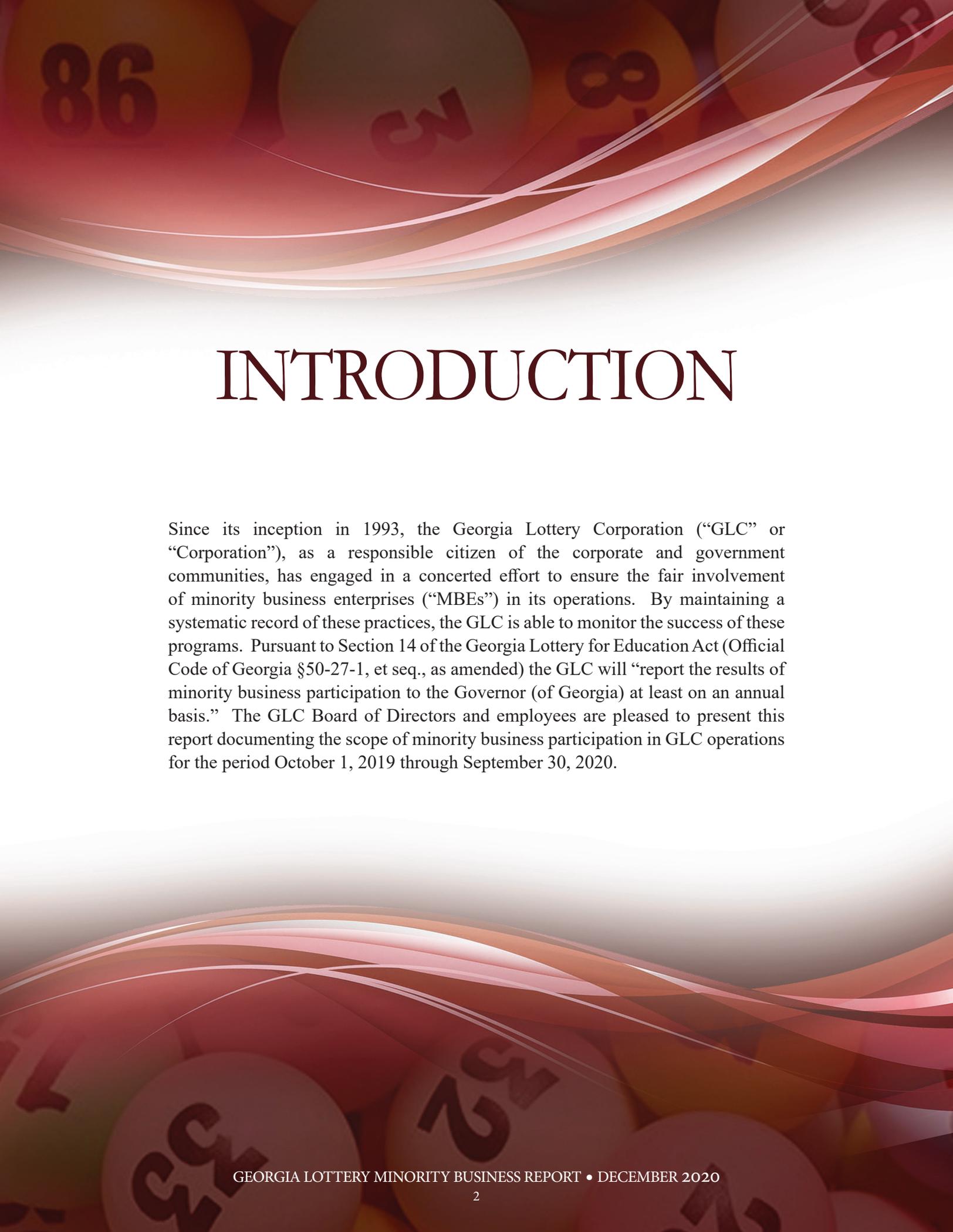


MINORITY BUSINESS

PARTICIPATION IN THE
GEORGIA LOTTERY

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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, 2019 through September 30, 2020.

The GLC and 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 various direct vendors. A total of \$6,837,846.08 was spent with MBEs during this reporting period, a decrease of \$1,549,633.80 from last year. Most of the decrease in MBE spend was in the ad agency spend (down from \$2.74 million in 2019 to \$1.56 million in 2020) which is attributable to the 2020 COVID crisis. Given the amount of personal interaction involved between actors, directors, technicians, etc. in producing ads, the social isolation and lull in economic activity during the economic shutdown in Spring/early Summer severely limited the production of ads and business opportunities for MBEs.

Partnering with the GLC's major procurement vendors provides the majority of subcontracting opportunities for MBEs. 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 \$241,321,277.68 has been paid to MBEs for products and services.

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The GLC and Minority-Owned Businesses

During the current reporting period, MBEs received a total of \$6,391,567.04 out of the total dollars spent with these three (3) major procurement contractors. IGT was the largest major contractor of MBEs; its minority subcontractors were paid a total of \$4,333,293.00 for services rendered. BBDO Atlanta advertising agency sent \$1,566,133.05 to its minority subcontractors and minority-owned media. Scientific Games procured a total of \$492,140.99 from its minority subcontractors.

To conduct its corporate operations, the GLC regularly purchases products and services utilizing several MBEs as direct providers. During the 2020 reporting period, a total of \$446,279.04 was spent by the GLC directly with MBEs in Georgia. Figures do not include lease payments, subscriptions, utilities, taxes, investment banking services and payments to governmental entities.



Melissa Preston
CPA Founder & President

**The GLC is especially proud
that in 2020, Preston CPA
(a female and minority owned local business)
became the exclusive provider of
ALL televised draw audit services.**

Preston CPA was previously awarded a contract in 2017 to perform the televised draw audit services for the mid-day drawing but is now performing draw audit services for the evening drawings and night drawings as well.

The GLC and 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.

An estimated 3,084 retailers have identified themselves as minority-owned, or controlled by a member of an ethnic minority group.

The GLC and Minority-Owned Retailers

For the 2020, reporting period, the GLC enjoyed contracting relationships with a total of 8,658 retailer accounts. Of that total number, an estimated 3,084 retailers have identified themselves as minority-owned, or controlled by a member of an ethnic minority group.

Almost half of all retailers did not identify their ethnicity on their retailer application. Of all minority retailers, 2,893 (93.8%), 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 133 outlets (4.3%) of all identified minority retailers. Hispanic-American retailers represented less than two percent (1.5%) of minority retailers, and Native Americans were less than one percent (0.4%) of all minority retailers.



GLC Retailer Network *(October 1, 2019 through September 30, 2020)*

Not Given	4,325	Percentages:	
Non-Minority	1,249	Not Given	50%
Asian-American	2,893	Minority	36%
African-American	133	Non-Minority	14%
Hispanic	46		
Native-American	12		

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 GLC and Employment

The GLC generated over \$4.975 billion in gross sales and \$1.237 billion in profits in Fiscal Year 2020, with an employee population of only 370 employees statewide.

Within the Georgia Lottery's employee base, 260 persons (70%) are members of ethnic minority groups, and 219 persons (59%) are women.



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Georgia Lottery Employees

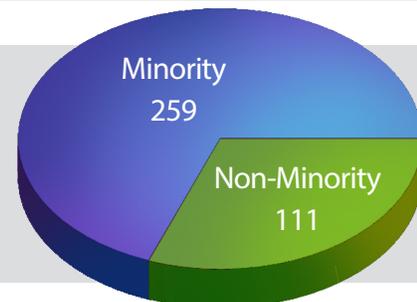
GLC Employee Ethnicity Breakdown

<i>African-American</i>	243 (65.7%)
<i>White</i>	111 (30.0%)
<i>Asian-American</i>	8 (2.2%)
<i>Hispanic</i>	6 (1.6%)
<i>Unspecified</i>	2 (0.5%)
Total Population	370

GLC Employee Gender Breakdown

<i>Total Females</i>	219 (59.2%)
<i>Total Males</i>	151 (40.8%)
Total Population	370

Ethnic Diversity



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, eighteen individuals comprised senior management. Of these eighteen individuals, nine were minorities and five were women.

Of the sales force,
62 percent are minorities and 51 percent are women.

Of the non-sales staff,
75 percent are minorities and 63 percent 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*

Community Events



The GLC is proud to have sponsored the following minority-focused events during the 2019 fiscal year:

The Georgia Lottery's (GLC) Marketing & Promotions department continues to support the company's mission through sponsorship of events and promotional activities in various communities throughout the state of Georgia. This past year, the GLC worked with a number of promotional partners to generate greater awareness of the brand, products and the company's continuous commitment to education. Participation in minority-sponsored events continue to be a priority.

In addition to the events listed below, the GLC proudly employs several minority freelancers to produce various marketing and promotional materials, including on-site graphics, videos, logos, POS, etc. Those freelancers have included outstanding talents, such as Trinh Do, Aaron Falkner and Tyrone Andrews.

Fountain City Classic
Atlanta Dream WNBA
The Georgia Swarm

Davis Broadcasting, Inc. - Women's Empowerment Luncheon

Community Event Sponsorships:

The GLC sponsors community events to promote our games and beneficiaries' throughout the state. Please submit all proposals for sponsorship consideration to sponsorships@galottery.org.

For general information about GLC Sponsorships contact Chanda J. Brown at Cbrown@galottery.org.

Atlanta Metro/Savannah area events contact Lawrence Hunter at Lhunter@galottery.org

Dalton/Duluth/Macon area events contact Rob Jones at RJones@galottery.org

Augusta/Columbus area events contact Bianca Rivera at BRivera@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 \$22.7 billion for specific educational programs in Georgia. These programs have benefited more than 1.9 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.

Georgia Lottery Corporation

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