

Minority Business Participation in the Georgia Lottery



December 2015



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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, 2014 through September 30, 2015.



The GLC and Minority-Owned Retailers



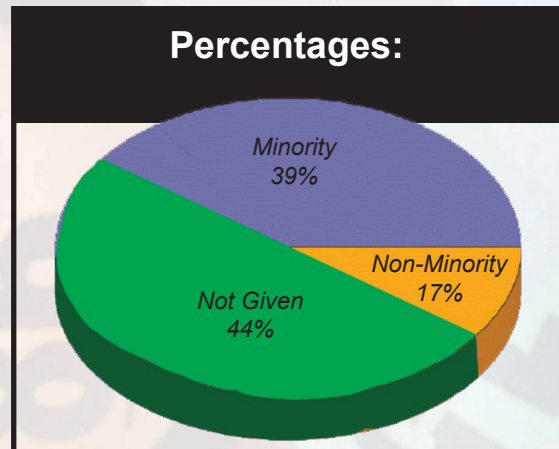
The Georgia Lottery Corporation's mission is to maximize revenues for the Lottery for Education Account through the sale of entertaining lottery tickets. Retailers throughout the state partner with the Corporation to promote and sell lottery products. The GLC's sales division continually recruits new 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 2015 reporting period, the GLC enjoyed contracting relationships with a total of 8,804 retailer accounts. Of that total number, an estimated 3,461 retailers have identified themselves as minority-owned, or controlled by a member of an ethnic minority group. The minority-identified retail outlets increased by 3.47% in the past year. More than half of all retailers did not identify their ethnicity on their retailer application.

Approximately 94% of all minority retailers, or 3,252 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 150 outlets, or 4.3% of all identified minority retailers. Hispanic-American retailers represented one percent (1.0%) of minority retailers, and Native Americans were less than one percent (0.67%) of all minority retailers.

The minority-identified retail outlets increased by 3.47% in the past year.

GLC Retailer Network (October 1, 2014 through September 30, 2015)	
Not Given	3890
Non-Minority	1453
Asian-American	3252
African-American	150
Hispanic	36
Native-American	23





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 major vendors. A total of \$8,509,656.08 was spent with MBEs during this reporting period, a decrease of \$297,506.66 from last year.

To conduct its corporate operations, the GLC regularly purchases products and services utilizing several MBEs as providers. During the 2014 reporting period, a total of \$392,066.66 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.

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 \$210,175,109.54 in GLC funds has been paid to MBEs for products and services.

During the current reporting period, MBEs received a total of \$8,117,589.42 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 \$5,028,009 for services rendered. BBDO Atlanta advertising agency sent \$2,079,000.24 to its minority subcontractors and minority-owned media. Scientific Games procured a total of \$1,010,580.18 from its minority subcontractors.



The GLC and Employment

The GLC generated over \$4 billion in gross sales and \$980 million in profits in Fiscal Year 2015, with an employee population of only 342 employees statewide.

Within the Georgia Lottery's employee base, 227 persons (66%) are members of ethnic minority groups, and 198 persons (58%) 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.

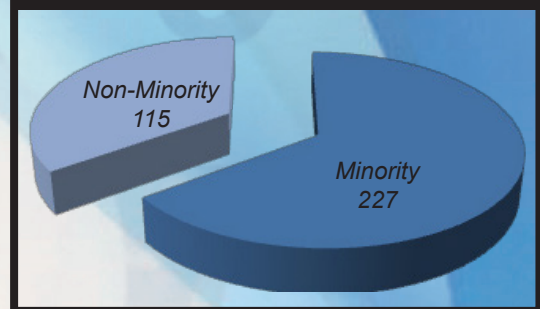
During the reporting period of this document, fourteen individuals comprised senior management. Of these fourteen individuals, five were minorities and four were women.

**Of the sales force,
58 percent are minorities
and 57 percent are women.**

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

Georgia Lottery Employees

Ethnic Diversity



GLC Employee Ethnicity Breakdown

<i>Black</i>	214 (62.5%)
<i>White</i>	115 (33.6%)
<i>Asian-American</i>	6 (1.8%)
<i>Hispanic</i>	5 (1.5%)
<i>Unspecified</i>	2 (0.6%)
<i>Total Population</i>	342

GLC Employee Gender Breakdown

<i>Total Females</i>	198 (57.1%)
<i>Total Males</i>	144 (42.9%)
<i>Total Population</i>	342

Employment Opportunities

The Georgia Lottery Corporation, an equal opportunity employer, posts its employment opportunities on the Georgia Lottery website at www.galottery.com under the "About Us" section.

Contact:

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



College Internship Program HBCU Partnership



Left to right-Jerell Alexander, Arsenio Hall, Shanise Douglas, Whitney Collins, Stephen Kopanski, Will Fuller, Derek Harper, Bryce Cager, Taylor Farmon, Kim Ivey, Dejanee Carter, Terence McElwee, Sarah Ezell, Maquetta Gilbert, Courtney Howard, Randi King, Ke'Dazia Barber and Diamond Randall (missing Tre'Nautica Smith)

For over twenty years, the GLC -- in a partnership with GTECH and Georgia's Historically Black Colleges and Universities (HBCUs) – has participated in a student internship program to introduce undergraduate students from Georgia's HBCUs to the corporate workplace. Through this program, the GLC and GTECH 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 293 students have participated in this program.

In 2015, seventeen student interns were employed at the GLC and GTECH. 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 GTECH, 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 GTECH'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, 50 former interns have become full-time employees of the Georgia Lottery Corporation and GTECH, and several have continued their studies in graduate school.



College Internship Program HBCU Partnership



Dejanee Carter

is currently a senior enrolled in the Bachelor of Business Administration Accounting program at Fort Valley State University. While attending school she is an Accounting Service assistant clerk. Dejanee is also actively involved in three organizations at her university. She holds the positions of Treasurer in National Association of Black Accountants (NABA), Vice President of the Entrepreneurship Club and a member of Trio student support services. Her purpose of studying Accounting is to pursue her CPA or CFE licenses with hopes of owning her own businesses someday. This summer Dejanee interned in the Prize Validation Department at the Georgia Lottery Corporation. Dejanee enjoys experiencing different cultures, traveling, finance, reading about young entrepreneurs, and volunteering. She sends thanks to the Georgia Lottery Corporation and IGT for this real world internship opportunity. (Hometown – Newnan, GA)



Shanise Douglas

is an intern in the Retailer Sales Department for the Georgia Lottery Corporation. Shanise is a graduating senior at Clark Atlanta University in which she will be receiving her Bachelor's degree in Accounting. In the Spring of 2016, Shanise will then enroll into the 5th year Accounting program where she will receive her Master's in Accounting also. Shanise's career goals include becoming a Certified Public Accountant (CPA) and/or a Certified Fraud Examiner (CFE). Throughout her matriculation at Clark Atlanta, Shanise has been involved in various organizations on campus. Shanise is currently the Vice President of the Clark Atlanta Chapter of National Association of Black Accountants (NABA). Shanise would like to begin her career by working in Corporate America as a forensic accountant with hopes of venturing off and opening up a business of her own. (Hometown-Chicago, IL)



Derek Harper

is a Business Administration major with a concentration in Management from Lithonia, Georgia. He is currently a junior at Clark Atlanta University. He is a part of the Men's Basketball team and also a Hope Scholar. Derek interned in the Sales department of the Georgia Lottery. He learned the different parts of the lottery from a sales perspective on how we target our market and what can influence a buyer. As a business major he felt he was good to know all the parts to a business from managing, sales, marketing, and more. The managers showed him the importance of networking and building relationships. Being in the corporate office helped him to gain real world experiences that he can take with him moving forward in life. He is grateful that he has had the opportunity to work with the Georgia Lottery this summer. (Hometown - Lithonia, GA)

College Internship Program – HBCU Partnership

For the twenty years, the Georgia Lottery and GTECH 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 Events



We implement exciting, corporate sponsorships and promotions that allow us to market our unique product offerings and increase ticket sales.

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. We implement exciting, corporate sponsorships and promotions that allow us to market our unique product offerings and increase ticket sales. Our partnerships with various organizations inclusive of minority interest groups assist in providing maximum awareness for our products and company initiatives.

Over the past year, the Georgia Lottery Corporation has implemented over 150 event days. The GLC is proud to be a sponsor of the following minority events during the 2015 fiscal year:

- **LaRaza Hispanic Festival Series (Fest de Mayo/Mexican Independence Day)**
- **Davis Broadcasting: Jazz on the River Series, Women's Empowerment Luncheon**
- **Jennifer Hudson Soul Session (V-103 FM)**
- **Steve Harvey's Neighborhood Awards**
- **Mayor Kasim Reed's Forever Young Senior's Ball**
- **Atlanta Tribune: The Magazine (Atlanta Tribune's Unsung Hero's Event)**

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

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 \$16.7 billion for specific educational programs in Georgia. These programs have benefited more than 1.7 million HOPE recipients and 1.4 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.

Debbie D. Alford, President & Chief Executive Officer

Board of Directors

Simeon Deal, Chairman

Teresa MacCartney, Vice-Chair

Rayna Casey

James Braswell

Missy Burgess

Jennifer Herring

Kevin Jackson



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