

Brighter Than Ever

Annual Report
2011-12



Our Mission...



To maximize funding for the Educational Enhancement Trust Fund by responsibly providing innovative and entertaining Lottery products and promotions to Florida's citizens and visitors.



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A Message from the Governor

Dear Friends,

Floridians can be proud that their Lottery turned in its best year ever in fiscal year 2011-2012, sending more revenue than ever to the state's Educational Enhancement Trust Fund. The Florida Lottery, in its 24th year, continues to rank among the top lotteries in the nation and remains an industry leader among its peers.

For the tenth consecutive year, the Florida Lottery has surpassed the billion-dollar mark in annual transfers to education. I am proud of the Lottery's achievements this year and the fact that less than two percent of all revenue generated is spent on internal operations, making it one of the most efficient lotteries in the country.

As we look ahead to the Lottery's 25th anniversary, I want to congratulate Secretary O'Connell and all the Lottery staff on the agency's outstanding record of accomplishments. The Lottery is delivering on its mission to increase revenues to education by focusing on efficiency and integrity, and all Floridians are the beneficiaries.

Sincerely,



Governor Rick Scott

Miami District Office reaches \$1 billion in total annual sales!



**NEW
SALES
RECORD!**

A Message from the Secretary

Dear Friends,

This year the Florida Lottery shattered its all-time sales record and also established its record-best year for transfers to education. The annual sales of \$4.45 billion exceeded last year's sales by \$440 million, representing an 11 percent increase. Transfers to education exceeded \$1.32 billion. Guided by Governor Rick Scott and the Florida Legislature, the Florida Lottery is pumping more than \$1 billion each year into Florida's education system.

During the fiscal year, nearly 50 new Scratch-Off games were introduced, and the improvements made to POWERBALL® in January increased sales and created 23 new Florida millionaires. The Lottery also offered a variety of promotions and second chance drawings throughout the year, giving players more chances to win. Florida Lottery players won more than \$2.79 billion in prizes in fiscal year 2011-12.

The Florida Lottery's success depends on its effective implementation of an entrepreneurial business model that focuses on the development of new revenue streams and creates a win-win partnership with its private-sector vendors. The Lottery constantly evaluates its operating expenses in order to maximize profits, a practice that has resulted in the Lottery having one of the lowest expense rates among domestic lotteries. Lottery contributions have made an impact on education in Florida, with more than \$1 billion being transferred annually to the Educational Enhancement Trust Fund for the past ten consecutive fiscal years, representing approximately six percent of the state's total education budget.

As we prepare for the future and look forward to celebrating the Lottery's 25th anniversary in 2013, we will continue our ongoing commitment to education by offering fun and innovative games and promotions to our players, and doing so with integrity, efficiency and economic benefits to the State of Florida.

Sincerely,



Secretary Cynthia F. O'Connell



Games and Promotions

Florida Lottery Games Sales Reach a New Sales Record in its 24th Year

The Florida Lottery is a mature lottery with nearly a quarter of a century of sales under its belt, so it is a phenomenal achievement that the Lottery has increased sales annually in 12 of the past 14 years. Rebounding from the nation's economic downturn in 2008, the Lottery rose to new heights in fiscal year 2011-12 as its \$4.45 billion in annual sales set a new all-time sales record. Total Lottery sales exceeded last year's by more than \$440 million – an 11 percent increase.

Scratch-Off Games

The Lottery's phenomenal sales increase was driven by the successful Scratch-Off game category. Scratch-Off sales increased by over \$341 million for a 15 percent increase and set a new sales record of \$2.57 billion in fiscal year 2011-12. Pricing strategies have had the biggest impact on the Lottery's enormous

sales growth over the past ten years. Annual sales are now \$1.90 billion higher than in fiscal year 2001-02 before the Lottery was given the variable payout authority to allow for higher payouts and expanded price points.

During fiscal year 2011-12, the Florida Lottery launched a total of 48 Scratch-Off games with a variety of themes, colors, play styles, top prizes and price points to appeal to Florida's diverse population. Pricing is a key component in our "family of games" strategy. Launching a family of multiple price point games allows us to build on the equity of the brand and to more effectively advertise, merchandise and

promote the games. Two "families of games" were launched this year with two of our most popular brands, LUCKY FOR LIFE and MONOPOLY™.

Expanding on the success of the \$10 and \$20 LUCKY FOR LIFE games, this year the Lottery introduced \$1, \$2 and \$5 versions of the game that also offered lifetime prizes. The \$1 game, LUCKY \$500 A WEEK FOR LIFE, and the \$2 game,



LUCKY \$1,000 A WEEK FOR LIFE, quickly became the best-selling games in their price point categories.

MONOPOLY, the Lottery's most popular licensed brand, is a core Scratch-Off product offered in multiple price points – \$1, \$2, \$3, \$5, \$10 and \$20. Since the first \$2 MONOPOLY Scratch-Off game launched in 1996, additional price points have been added, including the \$3 ticket and updated versions of the other price point tickets launched this year, to form the Lottery's most successful and sustaining "family of games." Combined, MONOPOLY games have produced over \$3 billion in sales.

In addition to MONOPOLY, the Lottery launched other licensed games with recognized brands in fiscal year 2011-12 in an effort to attract new players. The licensed games were supported with second chance drawings to give players an opportunity to win additional trips and merchandise prizes provided by the brands. Beginning in September 2011, Florida players were offered the chance to take a spin by playing the \$5 WHEEL OF FORTUNE® Scratch-Off game to win cash prizes or even a trip to Hollywood, California, to play a non-broadcast version of the Wheel of Fortune show, hosted by Pat Sajak and Vanna White. In the spring, the Florida Lottery established a partnership with a well-known Florida icon, Guy Harvey, to develop one of the hottest-selling tickets of the year. The \$2 GUY HARVEY® game, launched in April 2012, featured six Florida marine wildlife scenes of the Guy Harvey collector's series artwork and offered prizes including cash, sport fishing trips and Guy Harvey merchandise.

Other noteworthy Scratch-Off games introduced during fiscal year 2011-12 included GOLD RUSH TRIPLER, a brand extension of the Lottery's first \$20 Scratch-Off game and player favorite, GOLD RUSH. Also, the Lottery's first scented ticket, PEPPERMINT PAYOUT, was introduced as part of this year's collection of holiday Scratch-Off games. And, a new LOTERIA® game was launched in May 2012. LOTERIA, designed after a popular Hispanic game of symbols, sells consistently well and appeals to a diverse player base.

“ Total Lottery game sales exceeded last year's by more than \$440 million – an 11 percent increase. ”



Lastly, effective product distribution and product merchandising help ensure that our products are in the right place at the right time. The addition of 500 more Instant Ticket Vending Machines (ITVMs) in fiscal year 2011-12 greatly helped our retailer recruitment efforts with new retail trade styles and allowed us to reach new players.

Terminal Games and Promotions

Florida Lottery Terminal games increased by \$99.87 million in fiscal year 2011-12, for a six percent increase for the year. POWERBALL® sales led the charge with a \$116.28 million sales increase. The increase in POWERBALL sales was due to new game enhancements that began on January 15, 2012. The improvements included bigger jackpots, better odds, more millionaires and a price increase to \$2. This fiscal year, for the first time since Florida joined the multi-state game in 2009, POWERBALL surpassed FLORIDA LOTTO™ as our top-selling Terminal game. In addition to POWERBALL, fiscal year 2011-12 was a successful year for other Lottery Terminal games and promotions including a limited-time promotion to mark the 20th Anniversary of PLAY 4™, a FLORIDA LOTTO Gas for Life promotion and a number of football promotions. You can read more about these promotions in the Lottery Winners section of this report.



The Lottery's general market advertising agency, St. John and Partners, worked with the Lottery to create the television commercial for the new POWERBALL® game. The commercial, which aired nationwide, featured a holiday parade with a massive red Powerball balloon that dwarfs buildings and leaves the parade broadcast anchors speechless.

Right page: Florida Lottery Secretary Cynthia O'Connell poses with Guy Harvey and Regional Director of the Florida Fish and Wildlife Conservation Commission Chuck Collins after a press conference unveiling the lottery's new GUY HARVEY® Scratch-Off tickets.



Business Partnerships

Goals and Sales

Fiscal year 2011-12 was a record breaking sales year for the Florida Lottery. The goal of \$4.2 billion was eclipsed by more than \$200 million as players purchased more than \$4.45 billion in tickets. Historical sales are listed in the chart below.

Corporate Success Stories

A number of top 25 corporate chains had success implementing Lottery programs that helped increase sales and contributed to the Lottery's overall success in 2012.

Secretary O'Connell personally visited over a dozen corporate decision-makers from the top 25 Lottery corporate chains to express thanks for their support, to share ideas on ways to expand our brand awareness in their stores and increase sales, and to solicit ideas for how the Lottery can help them improve their business. As a result of these visits, several chains implemented point-of-sale programs and incentive drives, increased visibility of Scratch-Off games, and accepted placement of the successful Instant Ticket Vending Machines (ITVM), contributing to year-over-year increases.

Winn-Dixie was the first chain to implement the Lottery's Menu Board Program featuring Scratch-Off game display cards merchandised by the retailer to provide greater visibility of Lottery Scratch-Off products. The program produced sales increases in excess of 40 percent at Winn-Dixie stores when compared to pre-implementation periods. Winn-Dixie also partnered with the Lottery at a live draw event in Pensacola Beach and served as the corporate sponsor for the Bright Futures Ice Cream Socials held at four Florida colleges and universities in the fall.

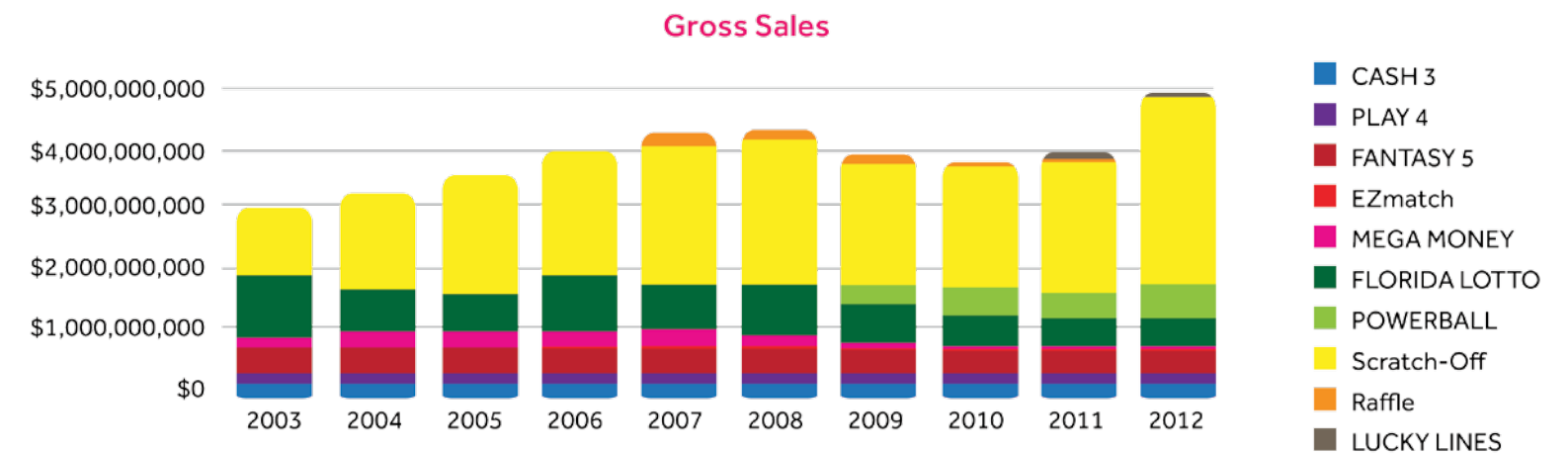
Hess implemented several programs that directly increased Lottery sales in its stores, including an auto-order program that allowed the Lottery's Scratch-Off vendor Scientific Games International to place Scratch-Off game orders directly from computer models, which eliminated time consuming telephone calls between store personnel and the vendor. Hess also helped improve product awareness by including Lottery products in its permanent point-of-sale signage program. The program produced Scratch-Off sales gains for Hess that outpaced the Lottery and the convenience store tradestyle.

Corporate Information System (CIS) reports – Impact

Newly developed corporate accounting reports enabled chains to access their own accounting reports through an online portal provided by the Lottery. These enhanced reports along with the more efficient delivery formats gave chains greater reconciliation detail which helped contribute to increased Lottery sales. Our largest supermarket retailer directly benefitted from these new reports as it was able to receive reports that precisely matched its accounting periods, enabling it to activate and sell games during the weekend.

Gains from Secretary Visits:

- Increased capacity for Scratch-Off games in dispensers
- Additional signage
- Agreements for stores to follow standardized plan-o-grams
- Displaying jackpot signs when available
- Installing ITVMs in selected stores
- Directives to stores to activate new Scratch-Off games immediately upon launch
- Improved management communications between our organizations
- Participation in upcoming Lottery promotions



District Offices Achieve Success

All of the Lottery's nine district offices made their sales goals for the year. Of special note were the results of the Miami District, which surpassed \$1 billion in sales, setting an all-time district sales record. Fiscal year 2011-12 sales in the Miami District surpassed the annual sales totals of lotteries in several other states.

Tradestyle Expansion

The Florida Lottery took the first steps towards expansion into the big box retail tradestyle by becoming the first Lottery in the U.S. to sell tickets in Walmart stores. This pilot program started with 34 Walmart Neighborhood Markets and immediately added to our sales of Scratch-Off and Terminal products.

Contributing Factors for Success

The Lottery's Sales division increased its focus on the activation of newly launched Scratch-Off games which, once launched, allowed players to purchase new games, increasing sales and retailer commissions. The Lottery set a goal of 100 percent for new game activations for all retailers by the end of the first week of a game launch. Goals set for both independent and corporate retailers were surpassed by thousands of our retailers, contributing to the Lottery's sales success.

Product Information
for Fiscal Years 2012 and 2011 (in Millions)



Incentives

The Lottery's Sales division conducted hundreds of "Ask for the Sale" and "Plus Sell" incentive promotions with independent and corporate retailers utilizing promotional Scratch-Off books as a tool to increase store level participation. Promotional books were also used to incentivize retailers to get new Scratch-Off games on the floor and ready for sale as quickly as possible. The 7-Eleven chain partnered with the Lottery to increase their overall game activation rates. The Lottery worked with its Scratch-Off vendor, Scientific Games, to have Scratch-Off products shipped directly from the Lottery's vendor to the retail stores to expedite their availability to consumers. These types of incentive programs are good for the Lottery, our retailers and our players.

ITVM Sales

The Lottery engaged in consistent monitoring and relocation of underperforming Instant Ticket Vending Machine units to maximize sales with the goal of providing excellent sales sites for the vending machines.

Menu Boards

Approximately 3,000 retailers had Menu Boards installed in their stores to increase awareness of the Scratch-Off product by displaying a 4x4 ticket likeness in clear plastic slots on a board placed above the dispenser at the register or service counter. The Menu Board slots are numbered and arranged in a plan-o-gram format by game and price point making it easier for both the consumer and the store clerk to identify the ticket purchase.



Mercado Miami, located in the Miami International Airport, is one of the Lottery's top-selling retailers in the state. They take great pride in offering a variety of Lottery products to their customers, and helping support education in Florida.



Lottery Winners

A Year of Record High Prizes for Florida Lottery Winners

Since January 12, 1988, the Florida Lottery has given Florida residents and visitors millions of reasons to believe their dreams can come true. Fiscal year 2011-12 was not only a record year for sales and education transfers, but also produced a record level of prizes won by Florida Lottery players. For 107 players, their dreams of becoming a millionaire came true during fiscal year 2011-12 as a result of playing Florida Lottery games. And, in total, more than \$2.79 billion in prizes was won!

POWERBALL® Millionaires

Fiscal year 2011-12 was witness to an increased number of POWERBALL® millionaires, due to improvements made to the game in January that included an increased prize of \$1 million for matching 5 of 5 winning numbers and, if the ticket included Power Play®, the prize increased to \$2 million. As a result, 23 new Florida POWERBALL millionaires were created, six of whom were multi-millionaires!



Scott and Joy Curry pose after claiming his \$2 million prize for matching 5-of-5 winning numbers on his POWERBALL® with Power Play® ticket.



James M. Ferrara, of Safety Harbor, claimed a top prize in the \$2 Scratch-Off game, LUCKY \$1,000 A WEEK FOR LIFE, at Florida Lottery headquarters in Tallahassee

FLORIDA LOTTO™ 1,000th Jackpot Winning Ticket

On December 24, 2011, with \$50 million at stake, the FLORIDA LOTTO™ drawing produced the 1,000th jackpot-winning ticket since the game's inception in 1988. The ticket was claimed by Richard McMullen, of Tallahassee. The retailer who sold the winning ticket, Circle K, in Tallahassee, received a \$150,000 bonus commission.

Scratch-Off Games Offered Big Cash Prizes and Second Chances

Since the game was introduced, more than 324 million FLORIDA LOTTO prizes have been won, totaling more than \$9 billion! Florida Lottery Scratch-Off games created more millionaires this fiscal year than all the Terminal games combined. Fifty-five Florida players found themselves instant millionaires by playing a wide assortment of Scratch-Off games ranging in price from \$2 to \$20. The introduction of the \$2 LUCKY FOR LIFE-themed Scratch-Off game, featuring the largest top prize ever offered at that price point, marked the first time in Florida Lottery history that players could win \$1 million by playing a \$2 Scratch-Off game.

Scratch-Off players who weren't as lucky the first time around got a second chance to win by entering non-winning tickets in a variety of second chance promotions. More than two million MONOPOLY™ tickets were entered in the ADVANCE TO GO™ Second Chance Promotion on the Lottery's website to win prizes ranging from \$10,000 cash to Florida vacation getaways to Premier Edition MONOPOLY board games. A WHEEL OF FORTUNE® Second Chance Promotion was also held, in which 60 players won a Nintendo Wii™ gaming console along with a WHEEL OF FORTUNE Wii game, and eight lucky players won a four-night trip for four to Hollywood, CA, and a chance to play in an exclusive non-broadcast, lottery players-only WHEEL OF FORTUNE game with Pat Sajak and Vanna White. Lastly, Lottery players and sport fishermen around the state had the opportunity to participate in the Guy Harvey® Sportsman's Paradise Second Chance Promotion, in which four grand prize winners won a fishing trip for two to fantastic fishing destinations that included St. Petersburg Beach, Duck Key, the Bahamas, and Grand Cayman Island. The winner of the Grand Cayman Island trip, along with a guest, got the opportunity of a lifetime – to go fishing with Guy Harvey himself! Other prizes awarded in the promotion included original Guy Harvey framed watercolor paintings and Guy Harvey gift certificates.



21-year-old Clearwater waitress Alexandra Chaar jumps for joy after claiming her \$1 million prize.

Terminal Game Promotions

Fall is an exciting time for football fans in Florida, which is why the Lottery held three different football promotions during the season. For college football lovers, the Lottery partnered with eight Florida universities for the FLORIDA LOTTO™ Fan-tastic College Football Promotion. More than 300 players won prizes ranging from \$10,000 in cash, to season tickets, bowl game trips and team merchandise. Then, to raise awareness about the improvements to POWERBALL®, the Lottery kicked off the POWERBALL® College Bowl Game Promotion. Sixty finalists were selected through radio contests to win tickets to the state's six College Football Bowl games, where one finalist at each game won a \$10,000 cash prize on the field. Not to exclude the professional football fans, the Lottery held the Dolphins Fin-tastic FANTASY 5® Football Promotion, in which a total of 155 Miami Dolphins prizes were awarded including VIP experiences, Dolphins season tickets and a 2012 Ford® Fiesta.

While not everyone in Florida enjoys football, everyone could use free gasoline. With increased gas prices during the spring of 2012, the Florida Lottery offered some relief at the pump through the FLORIDA LOTTO™ Gas for Life Promotion. During the seven week promotion, 350 players won free Gas for a Month, 35 players won free Gas for a Year and one lucky player won free Gas for Life. In addition, 7,227 winners received \$50 instant win coupons and one player received a VIP Race Package for the Coke Zero 400 Powered by Coca-Cola at Daytona® race weekend.

The Florida Lottery provides great dividends to the residents of Florida through its prizes and contributions to education, and it promises to continue doing so in the future. Whether they be one of millions who have won big, or one of thousands who have been able to pursue their academic dreams thanks to Lottery contributions, Floridians benefit from the Florida Lottery.

“ The Florida Lottery provides great dividends to the residents of Florida through its prizes and contributions to education! ”

Right page: On January 1, 2012, during halftime at the Miami Dolphins game at Sun Life Stadium, the Lottery awarded a 2012 Ford® Fiesta to the grand prize winner of the Florida Lottery's Dolphins Fin-tastic FANTASY 5® Football Promotion.



Contributions to Education

\$24 Billion in Contributions to Education

The Lottery surpassed the \$24 billion dollar mark in earnings for the Educational Enhancement Trust Fund (EETF) this fiscal year. That fund benefits education programs throughout Florida at the K-12, state college and university levels including Bright Futures scholarships.

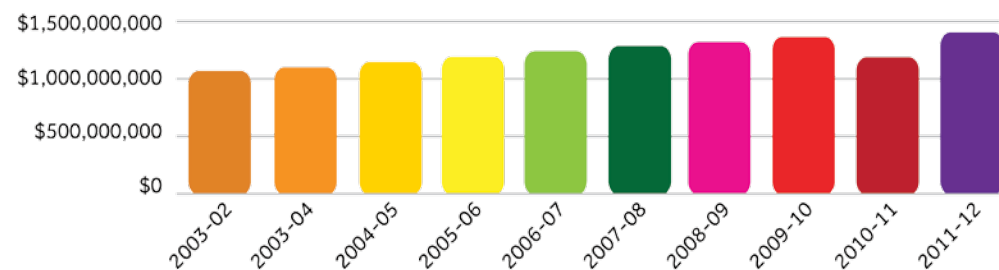
Included in the sale of every Lottery ticket lies a contribution to the dreams and aspirations of Florida's students and families. Lottery revenue makes up approximately six percent of the state's total education budget, impacting every level of the state's public education system. Funds transferred to the EETF are appropriated to K-12 programs in all of Florida's 67 counties; bonds for school renovation projects; construction and maintenance; state colleges and universities; and of course Florida's Bright Futures Scholarship Program and other student financial aid.

In this past year alone, \$317 million dollars from the EETF was allocated to school construction bonds to help meet the growing demand for quality state-of-the-art facilities for Florida's children. During the past year, EETF funding for public schools reached \$270.8 million while state colleges received \$130.4 million and universities collected \$253.9 million.

The Florida Lottery is the primary funding source for the Bright Futures Scholarship Program. Since its inception in 1997, the Bright Futures Scholarship Program has provided more than 600,000 students with scholarships to pursue their academic goals. This fiscal year, the Florida Lottery began honoring Bright Futures scholarship recipients with a series of Ice Cream Socials hosted on various college campuses statewide.

From the first day of pre-kindergarten to the day a student crosses the stage at college graduation, students across our state are working to make their dreams come true by acquiring a quality education. At the Florida Lottery we are happy to play our part in helping to make those dreams come true.

Contributions to Education
Educational Enhancement Trust Fund Florida Lottery Transfers



Matt McCann - Student Body President; Senator Geraldine F. Thompson; Secretary Cynthia O'Connell; Admiral Al Harms - Vice President Students Affairs; and Brant Koerner - Winn-Dixie along with Bright Futures students at the Bright Futures Ice Cream Social at University of Central Florida.





With you every step.



\$24 Billion to Education since 1988.

A Penny Saved is a Penny Earned

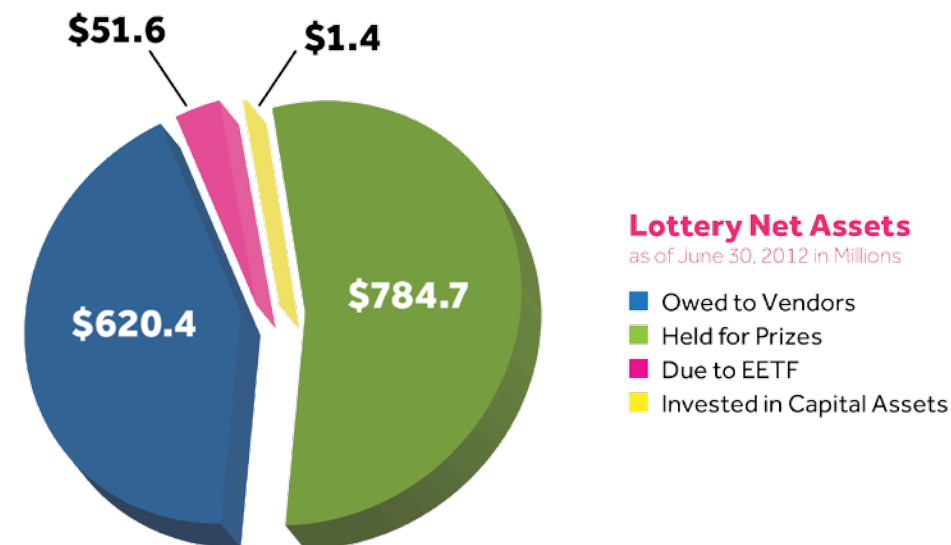
At the Lottery, the saying "a penny saved is a penny earned" rings loud. Every penny the Lottery can save due to competitive pricing, operating efficiencies or process reengineering is a penny of extra profit to transfer to the Educational Enhancement Trust Fund. Fiscal year 2011-2012 saw many efficiencies achieved in the continuous effort to increase the total transfer for the year.

Facility Reorganization, Renegotiations and Relocations

During the year, the Lottery physically reorganized the occupants and contents of its headquarters facility in order to vacate 14,800 square feet of office space. The space was then subleased to the Office of Early Learning, allowing three different office locations to be consolidated into one, as well as facilitating the organizations sharing several meeting rooms. The effort is currently saving the Lottery over \$251,000 each year in lease costs. On a statewide basis, the Lottery successfully relocated its Jacksonville District Office in order to achieve a ten percent lease reduction. Three additional locations were evaluated and renegotiated during the period with the results affecting the following fiscal period.

Contract Renegotiations

While routine operating contracts are constantly rebid or quoted to ensure the most competitive market prices, several significant contracts were evaluated and renegotiated for savings. One significant contract, the Terminal game vendor contract, had a seven percent reduction in fees. The Spanish Language Advertising contract experienced a second reduction in fees, bringing the cumulative reduction to three percent over a two-year period from the original



contract amount. The Lottery worked with the Southwood Shared Resource Center to move the website supporting servers from a Managed Service contract to a new Co-Location service contract. This change will result in an annual savings of \$57,000.

Process Reengineering

The Florida Lottery is documented to be one of the most efficient lotteries in the U.S. Lottery industry and prides itself on continuous improvement efforts. Several of the efforts implemented in fiscal year 2011-2012 include:

- Electronic imaging of retailer contracting documents in headquarters,
- Automation of winning numbers posting to website and communication documents such as draw result emails,
- IT Server consolidation of 25 old units down to five new units,
- Internal quality assurance issue tracker system,
- Launch of CIS Enhanced Corporate Retailer Reporting system,
- System Center Configuration Manager to push systematic software updates rather than manual updates,
- Rework collection efforts to include electronic communications for more timely collection actions,
- Launched Help Desk Program to track workflow and monitor performance.

Income and Expenditures

for Fiscal Years 2012 and 2011 (In Millions)

Income	2012	2011
Ticket Sales (Net of Bad Debt)	\$4,450	\$4,009
All Other Revenue	\$13	\$13
Total Income	\$4,463	\$4,022
Expenses		
Prizes	\$2,766	\$2,460
Retailer Compensation	\$248	\$223
Gaming Vendors	\$67	\$63
Department Operations	\$70	\$71
Total Expenditures	\$3,151	\$2,817
Transfer to Educational Enhancement Trust Fund	\$1,322	\$1,192

Organizational Structure

Organizational Structure

As required by subsection 24.105(4), Florida Statutes, the following information reflects the organizational structure of the Florida Lottery on June 30, 2012.

The **Office of the Secretary** directs the operations of the Florida Lottery and is responsible for the effective management of the Lottery in accordance with directives identified in statutes and corresponding rules, regulations, policies and procedures.

- The **Office of Human Resources** assists the Secretary with strategic leadership relative to employee relations. The division administers a comprehensive human resources program including recruitment, selection, performance management, payroll, benefits, classification and pay, and attendance and leave.
- The **Office of the Inspector General** assists the Secretary with internal control systems necessary to ensure the fiscal accountability and integrity of the Lottery. The division is responsible for performing financial, compliance, and performance audits of the Lottery, and preparing audit reports of said findings and investigations.

The **Office of the Chief of Staff** assists the Secretary in providing overall organization, direction, and coordination, both in day-to-day activities and in long-range planning.

- **Legislative Affairs** is responsible for promoting and securing passage by the legislature of the Lottery's legislative objectives. Legislative Affairs also oversees the Lottery's education initiatives and serves as education liaison to the Department of Education.
- **Security** provides security services for the Lottery, including protection of buildings and facilities, investigative activities, game drawing security, and background investigations for vendors, retailers and employees. The Division of Security also manages the Lottery's safety awareness program and the Lottery's Continuity of Operations Plan (COOP).

Investigations and Operations monitors the physical security of all Lottery facilities and investigates security breaches. This unit also investigates problem claims and allegations of potential illegal activity and is responsible for managing the nightly draw process.

Intelligence and Administrative Support conducts background investigations on potential vendors, contractors, retailers and employees, and provides analytical support for other criminal investigations. This section provides maintenance and hardware support for the Integrated Security System and manages the agency's loss prevention program, which aids

retailers in reducing ticket theft and informs the general public of Lottery-related scams and other fraudulent activity.

- **Information Security Management (ISM)** develops and coordinates the information security infrastructure and program to provide protection and ensure integrity for the Lottery's computers, data and networks.

The **Office of the Chief Information Officer** provides strategic and automated solutions to fulfill the Lottery's business needs through efficient and effective development and deployment of the Lottery's information technology resources, including excellence in customer service, optimizing the sale of Lottery tickets and ultimately enhancing contributions to education. Operations consist of the following units:

Software and Data Services automates and improves the Lottery's business processes by building information applications that enable and optimize the development of new Lottery products, payment of winners, electronic payment by retailers, retailer incentive programs and other mission-critical initiatives.

Software Quality Assurance is responsible for researching gaming system functional requirements and performing user acceptance testing on all gaming system software prior to implementation.

Systems and Operations Services maintains a secure, power-redundant data center environment, provides telecommunications systems and services, desktop computing and technology infrastructure services for the Lottery. This unit also maintains the Lottery's Information Technology Disaster Recovery plan.

Games Administration manages all retailer accounting and systems related to game transactions, including inventory. The unit coordinates all Terminal gaming functions for CASH 3™, PLAY 4™, FANTASY 5®, MEGA MONEY™ and FLORIDA LOTTO™, including closing games for draws, entering the winning numbers into the Terminal gaming system and setting the games to pay winners. Games Administration serves as the system coordinator and liaison to all Lottery retailers.

The **Deputy Secretary of Product Development and Research** assists the Secretary in the development and implementation of business strategies and policy initiatives all aimed at increasing Lottery sales and transfers to the Educational Enhancement Trust Fund. To fulfill this responsibility, he manages programs in research and product development.

- **Research** comprises consumer market studies primarily contracted through the Lottery's research vendor of record. The unit's projects center on consumer, retailer, retail environment and advertising campaign analysis. The Research unit also provides valuable data used to determine products to be developed, revenue forecasting and overall program effectiveness.
- **Product Development** involves the creation, design, development and management of both Terminal and Scratch-Off Lottery products, as well as exploration of new approaches to increasing playership and distribution channels.

The **Deputy Secretary of Brand Management** assists the Secretary in all areas relating to the promotion and sale of Lottery products, communications, strategic alliance, marketing, customer service, graphics and special events and promotions.

- **Communications** coordinates all Lottery activities with the news media, including spokesperson interviews, public records requests, news conferences and press releases. Communications produces PR plans for game launches and promotions and official Lottery publications.
- **Marketing** directs all advertising on behalf of the Florida Lottery including television, radio, and outdoor. Marketing determines creative direction and advertising strategy for each marketing campaign.
- **Customer Service** serves as the Lottery's direct liaison to players, responding to inquiries regarding games and various other facets of operations. It also manages customer correspondence and email, and serves as a clearinghouse for Lottery records.
- **Strategic Alliance** drives the growth of the Lottery beyond its core business, and initiates and manages key promotional business and marketing initiatives. Responsibilities also include identifying, evaluating, negotiating, and implementing new strategic alliances and corporate sponsorships.
- **Special Events** increases the awareness of Lottery products and contributions to education through special promotions, promotional merchandise, and participation in special events held in communities throughout Florida. Responsibilities include Terminal game live drawings held at public venues throughout the state, retailer promotions, and Lottery Showvan scheduling.
- **Graphics** provides overall art design and direction for the Lottery, including quality control for Scratch-Off ticket designs, publications, promotional items, and graphic presentations.

The **Office of the General Counsel** provides consultation, direction, and representation in all legal matters affecting the Lottery.

The **Office of the Chief Financial Officer** assists the Secretary with providing effective leadership for the Lottery to grow responsibly in a profitable and sustainable manner. The division is responsible for the development and monitoring of the Lottery's budget, all financial reporting, disbursements and monitoring of cash flows, procurement, contract administration, facility management, and other enterprise administrative matters.

- **General Accounting** administers and oversees the accounting data systems and coordinates duties of the Financial Reporting and Financial Transactions units.

The **Financial Transactions** unit is responsible for processing and recording all financial transactions, which include payments to vendors supplying goods and services, recording revenues, and managing the cash balances.

The **Financial Reporting** unit is responsible for the production and distribution of all financial reports. The department produces the statutorily required monthly financial report, quarterly and annual financial statements, and all schedules and reports required for the Florida Comprehensive Annual Financial Report.

- The **Budget** unit prepares the annual legislative budget request and any necessary budget amendments for the Lottery, monitors expenditures to ensure budgetary compliance, and coordinates the development of the Lottery's long-range plan.
- **Claims Processing** processes the prize payments of tickets submitted to Lottery headquarters, assists district offices with the payment of prizes presented at those offices, and coordinates all withholding transmittals with the Internal Revenue Service.
- **Retailer Contracting** evaluates and approves retailer applications and enters into contracts with retailers that will best serve the public interest and provide adequate and convenient availability of Lottery tickets. The unit directly supports the Lottery's efforts in the recruitment, retention and daily support of retailers. Through its application and contract renewal process, this unit ensures the integrity, reputation and financial responsibility of all Lottery retailers.
- **Purchasing Office** provides strategic resources in the acquisition of commodities and contractual services necessary in the operation of the Florida Lottery. The unit provides direction to ensure the minority business community participates in the Lottery's procurement and contracting processes. The unit also oversees the Lottery's contract administration function and support services unit.

The **Contract Administrator** is responsible for the oversight of the contract management process as well as provides resources in the monitoring of contract deliverables.

Support Services provides the day-to-day operational services including facilities management, fleet management, equipment and inventory control, warehousing operations, records management, and mail operations. The unit oversees janitorial and other facility management contracted services.

The **Office of Statewide and Corporate Sales** assists the Secretary by increasing sales statewide through the implementation of a strong sales and marketing plan. The division plans effective sales strategies and training in advance of all new product launches, in addition to overseeing the activities and disseminating policies and procedures to the nine statewide district offices.

- **Corporate Sales** is responsible for the growth and development of the Lottery's corporate business. The unit serves as a liaison between Lottery and main corporate offices of retailers statewide.
- **The nine District Offices** manage the sale, promotion and redemption of Lottery products through a statewide network of more than 13,000 Lottery retailers. In addition to the office management staff, each district office employs a staff of sales representatives who assist in the promotion and sale of Lottery products at the retail level.
- **ADA Office** ensures that all policies and directives relating to the Americans with Disabilities Act (ADA), as they pertain to Lottery retailers, are implemented and upheld.



BRIGHT FUTURES

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