Message from the President & CEO and the Board Chair

It is with great pride and pleasure to present an overview of the Tennessee Education Lottery Corporation’s (TEL) Fiscal Year 2018. This was a stellar year that shattered all records for total sales and proceeds for education since we began nearly 15 years ago. In fact, the year’s all-time high of $421.7 million for all education programs funded by the Lottery exceeds the prior year’s education funding by 9.1 percent.

Thanks to the help of so many, from our players and retailers to our dedicated TEL Team, Lottery funding continues to provide a strong foundation for education in Tennessee. And as we begin our 15th Fiscal Year of operations, we remain committed more than ever to maintaining that role.

Education

The Tennessee Education Lottery Corporation (TEL) is just that: A Corporation created to maximize dollars to fund specific education programs for Tennessee students. Since the first awards were given in the fall of 2004, Lottery-funded programs have grown to include 15 different scholarships and grants. This includes HOPE Scholarships, grants to technical schools, dual-enrollment grants and the Drive to 55 initiatives.

Lottery monies are also used to fund after-school programs and an energy-efficient initiative.

- FY18 contribution: $421.7 million for all education programs funded by the Lottery
- Total education funding since inception: More than $4.6 billion

Education Beneficiaries

- $356.3 million was awarded to 132,560 students in the academic year 2017–2018, including 28,759 students in dual-enrollment classes.
- Total scholarships and grants awarded since inception: More than 1.3 million

Additionally, more than $13.5 million in unclaimed prize money was used to support K-12 after-school programs to 68 grantees at 228 individual sites. These programs served 13,208 students.

Diversity and Inclusion

The TEL is committed to a diverse and inclusive workplace. It also embraces the active engagement and participation of the minority business community. Strategies to achieve these goals include:

- TEL Advisory Council on Minority Business Participation – A group of business leaders from each of Tennessee’s three Grand Divisions that assist TEL management in developing economic, technical and educational strategies for increasing minority-owned business participation.
- Wanda Young Wilson Summer Internship Program – An annual 10-week paid internship program that offers professional corporate training and work experience to students attending Tennessee’s Historically Black Colleges and Universities. There have been 207 interns who have benefited from the program since it began in 2004. This program is funded by the TEL’s major procurement vendors.
- TEL Workforce Diversity – The Lottery’s workforce continues to represent an impressive level of diversity. Of the cumulative total of 170 TEL employees during Fiscal Year 2018, 52% were women; 48% were men; 48% were minority; and 52% were non-minority.
- Equal Business Opportunity Program – During Fiscal Year 2018, the Lottery and its major procurement vendors continued to exceed the statutory goal of purchasing a minimum of 15% of its goods and services from minority-owned businesses as follows:

  - The Buntin Group – 19%
  - IGT – 22%
  - Scientific Games – 16%
  - TEL – 37%
Board of Directors

By statute, a seven-member Board of Directors is appointed by the Governor and confirmed by the General Assembly. The Board provides governance and sets overall policy.

Fiscal Year 2018

Susan Lanigan  
Chair

William Carver  
Vice Chair

Roy Harmon, Jr.  
Cordia Harrington

Pearl Shaw  
Carolyn Hardy  
Eleanor Yoakum

Management

The TEL Team includes 170 talented, dedicated professionals working throughout the following divisions:

Executive: Rebecca Hargrove  
President and Chief Executive Officer

The President and CEO oversees all daily operations, develops a broad vision for the Corporation, and ensures the Lottery achieves its mission of maximizing revenues for education. This division also includes:

Legislative and Government Affairs
Internal Controls: Reports directly to the Board of Directors, monitors internal controls to ensure integrity and accountability in TEL operations.

The President and CEO also oversees the Executive Management Team, which includes:

Legal: Wanda Young Wilson  
Chief Operating Officer and General Counsel
Legal Services, Human Resources, Security, Retailer Contract Administration, Corporate Services, Equal Business Opportunity Program

Advertising, Marketing and Communications: Lou Ann Russell  
Executive Vice President
Advertising, Events and Sponsorships, Retail and Digital Marketing, Internal and External Communications, Player Services

Finance and Information Systems: Andy Davis  
Chief Financial and Information Systems Officer
Accounting, Prize Payments, Retailer Receivables, Purchasing, Fleet Management, Gaming Systems and Drawings, Software Services, Quality Assurance

Sales: Wylie Dillard  
Executive Vice President
Sales, Retailer Sales and Services, Corporate Accounts, Warehouse Management and Distribution, District Offices
Prizes
During Fiscal Year 2018, Tennessee Lottery players won more than $1.09 billion in prizes, including two Cash 4 Life lifelong prize winners—one winner of $1,000 every day for life, and one winner of $1,000 a week for life.

There were 25 winning tickets of $1 million or more sold during the Fiscal Year, bringing the total since the Lottery’s inception to 239.

Total prizes won since inception: More than $12.6 billion

Sales
Total sales for Fiscal Year 2018 shattered all previous sales records. FY18 brought a record $1.73 billion in gross total sales, exceeding the previous record by 6.7 percent.

- Record instant game sales of $1.41 billion
- Record drawing-style game sales of $328 million
- Monthly total sales records nine out of 12 months
- Quarterly sales records three of the four quarters
- Total sales since inception: $18.4 billion

Retailers
Tennessee Lottery games are sold at more than 5,000 locations throughout the state. These retailers are the Lottery’s primary connection between the Corporation and Lottery players.

- During Fiscal Year 2018, 5,054 retailers earned more than $113.2 million in retailer commissions and incentives.
- Total earned since inception: $1.197 billion

The TEL Retailer Advisory Board, a diverse group of retailers that represents a variety of trade styles, continued to provide valuable feedback and insight to help recruit and maintain a dynamic retailer network.

Corporate Social Responsibility
In addition to raising funds for education programs, the Tennessee Lottery is committed to its role as a socially responsible corporation. Strategies to fulfill this pledge include:

- A Responsible Gaming program that received a prestigious Level 3 Responsible Gaming Certification from the World Lottery Association
- An environmentally conscious workplace and anti-litter program
- Diversity and inclusion initiatives
- Social action projects benefiting the community
- Employee programs to encourage professional growth
- Employee health and wellness program

Contact Us:
For more information, visit tnlottery.com or call 615-324-6500.
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For more details about the TEL's FY18 financial performance and review of the FY18 Audit Report, visit TNLottery.com.