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Gambling Action Alert IL Lottery troubles and SB 1427 to extend Internet Lottery



This week several articles were published about the problems with the Illinois Lottery private management company.

SB 1427, to extend the Internet Lottery "pilot" program for 5 more years, moved out of the Senate Gaming Committee today and **could be called for a vote in the Senate at any time. SB 1427 would, in effect, make Internet Lottery permanent.**

The bill that authorized Internet Lottery in 2009 required a study of the effect of the Lottery on Illinois families, "subject to appropriation". The study was never conducted.

A new private manager could market the Internet Lottery program more aggressively, especially to young people, sell scratch off tickets online (currently not allowed), and increase the \$150 daily limit on Internet Lottery sales. This could result in an increase in problem and pathological gambling.

The Internet Lottery should not be extended, especially in light of the articles below.

Lottery manager still on job after firing

Meanwhile, under the termination agreement Rauner's office negotiated with Northstar, **the company may receive up to \$17 million per year** in "disentanglement fees" in **addition to management fees of up to \$14 million annually.**

Unlike under the original contract, which paid a flat management fee of roughly \$14 million, the payments reflect actual costs as determined by a third-party auditor. In the fiscal year that ended July 1, the company was paid a combined total of \$13.5 million in fees.

Also, **after making a final \$10 million payment for missing revenue expectations, Northstar no longer has to pay additional penalties as it did under its original contract.** [Read more](#)

Taxpayers are losers in lottery

Illinois taxpayers have funded about \$2 million in "retention" bonuses for employees of a private firm managing the Illinois Lottery, despite the firm performing so

poorly Illinois is working to replace it.

... There was nearly **\$700 in hotel, food and mileage expenses for an employee to travel to Chicago and Springfield** for no specified disentanglement purpose-only notations that there were **Christmas parties to attend in each place.**

... There was also a **\$360 dinner meeting for four that included steaks priced up to \$49 each and \$16 for a glass of wine.** And there was another **\$200 spent on just one Northstar employee's tab for another steakhouse dinner meeting.** [Read more](#)

Illinois Lottery manager faces second lawsuit

A second lawsuit has been filed accusing Illinois Lottery's private manager of defrauding players after a Tribune investigation found the lottery did not award many of the biggest prizes in its largest instant ticket games. [Read more](#)

FOR IMMEDIATE ACTION

1. **Call your State Senator and ask him/her to Vote NO on SB 1427 to extend Internet Lottery and, essentially, make it permanent.** (Capitol Switchboard 217-782-2000)
2. **Share this Alert** with your faith community and ask them to PRAY and CALL.
3. **Forward** to 10 others.

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