



# 2022

ANNUAL  
REPORT



**LOTTERY**®

T E N N E S S E E

JULY 1, 2021 – JUNE 30, 2022

# MESSAGE FROM THE CEO AND BOARD CHAIR



REBECCA PAUL  
PRESIDENT AND CEO



WILLIAM CARVER  
CHAIR

**ON BEHALF OF THE** Tennessee Education Lottery Corporation (TEL) and its Board of Directors, we are proud to present an overview of Fiscal Year 2022, the period of July 1, 2021, through June 30, 2022. Even as the country continued to experience changes in consumer buying patterns caused by the COVID-19 pandemic, we are pleased to report a stellar year. In fact, it was the second-best year since the TEL launched operations on January 20, 2004.

The Fiscal Year closed with a hefty contribution of **\$485,582,000** for all TEL-funded education programs such as scholarships, grants and after-school programs. This brought the total to nearly **\$6.5 BILLION**

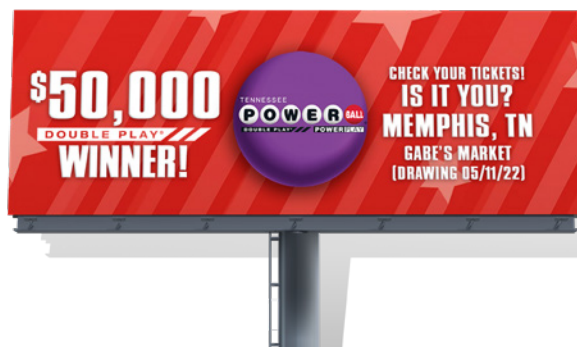
since sales began, which has helped fund more than **1.9 MILLION** educational awards to Tennessee students seeking post-secondary education.

In fact, as the Lottery continues to sustain a solid surplus in the state's Lottery for Education Account, the General Assembly utilizes some of these resources to expand and increase TEL-funded programs. In spring 2022, Tennessee lawmakers passed the largest increase in HOPE scholarships for students at four-year universities since the scholarships' creation. The additional **\$85 MILLION** earmarked for these awards will help make college more affordable for thousands of Tennesseans—and that's what the Lottery is all about.

In addition to our Board of Directors and the dedicated TEL team, we are grateful for the support from our players and the network of more than 5,000 retailers throughout the state. We remain committed to our mission of maximizing dollars for education and will continue to introduce creative games, foster Corporate Social Responsibility programs including responsible gaming initiatives, and provide superior customer service to our players and retailers.

## HIGHLIGHTS

- The TEL added a third weekly drawing on Mondays for both **POWERBALL** and **LOTTO AMERICA**, joining the regular Wednesday and Saturday drawings for the popular multi-state games.
- The Lottery also introduced the *Powerball* **DOUBLE PLAY** add-on feature in August 2021, giving players a chance to win **UP TO \$10 MILLION** with their *Powerball* numbers in a separate drawing.
- In fact, 7 lucky *Powerball* Double Play players won \$50,000 each during the fiscal year using the new option for just an extra \$1.
- In November 2021, the Lottery added the “**WILD BALL**” feature to the **CASH 3** and **CASH 4** games, giving players additional ways to have fun and win.
- The Lottery's popular “**PLAY IT AGAIN!**” program awarded more than \$10 million in prizes from three drawings held throughout the year.



# BOARD OF DIRECTORS

The TEL is governed by a seven-member Board of Directors that sets overall policy. The board members are appointed by the Governor and confirmed by the General Assembly.



**WILLIAM CARVER**  
CHAIR



**JOHN CROSSLIN**  
VICE-CHAIR



**ELEANOR YOAKUM**



**TYRONE BURROUGHS**



**JOELLE PHILLIPS**



**TREY WATKINS**



**PEARL SHAW**

## MANAGEMENT

The TEL Team includes 160 committed professionals working together across the following divisions:



**REBECCA PAUL: EXECUTIVE** | 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:



**ALONDA MCCUTCHEON:**

LEGAL

Executive Vice President and General Counsel

Legal Services, Human Resources, Security, Retailer Contract Administration, Corporate Services, Equal Business Opportunity Program



**ANDY DAVIS:**

FINANCE AND INFORMATION SYSTEMS

Chief Financial and Information Systems Officer

Accounting, Prize Payments, Retailer Receivables, Purchasing, Fleet Management, Gaming Systems and Drawings, Software Services, Quality Assurance



**LOU ANN RUSSELL:**

ADVERTISING, MARKETING AND COMMUNICATIONS

Executive Vice President

Advertising, Events and Sponsorships, Retail and Digital Marketing, Internal and External Communications, Player Services



**WYLIE DILLARD:**

SALES

Executive Vice President

Sales, Retailer Sales and Services, Corporate Accounts, Warehouse Management and Distribution, District Offices

## EDUCATION

**SINCE THE FIRST TRANSFER** of Lottery funds to the state's Lottery for Education Account, the TEL quickly became a vital source of funding to help meet Tennessee's goal of assisting its citizens—and its economic vitality—by providing financial support for a variety of educational initiatives.

During Fiscal Year 2022, the Lottery generated **\$485,582,000** for education programs in the state, bringing the total since inception to nearly **\$6.5 BILLION**. In fact, annual education funding has exceeded **\$400 MILLION** for five consecutive years.

By the end of FY22, the Tennessee Higher Education Commission & Student Assistance Corporation had awarded more than **1.9 MILLION** scholarships and grants over the course of 18 years.

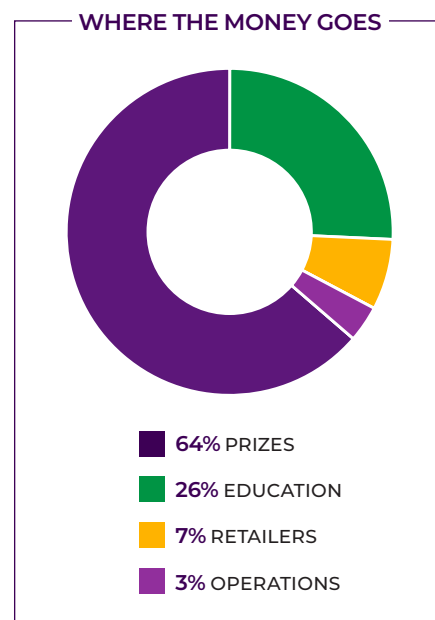
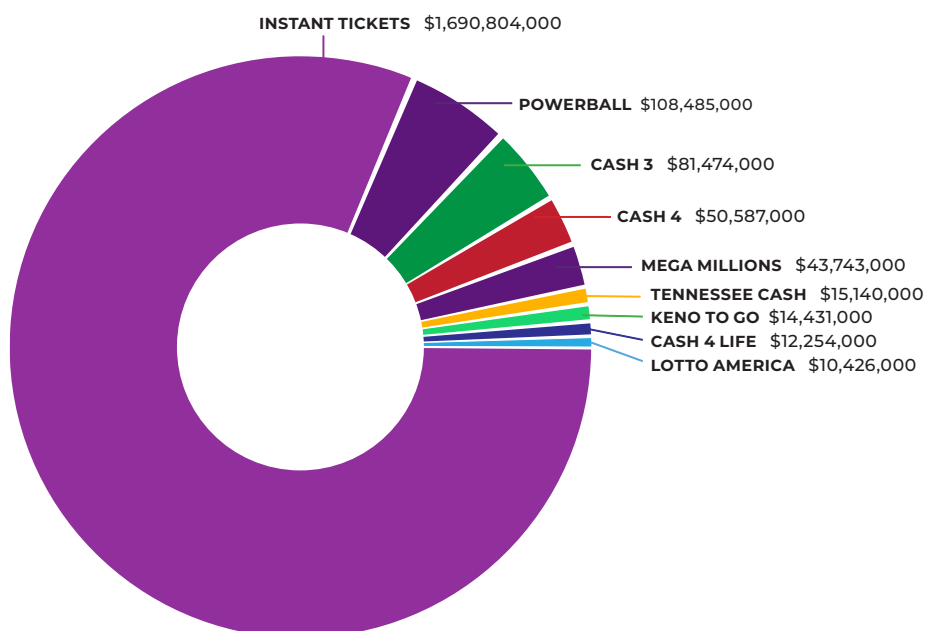
And that doesn't include the thousands upon thousands of K-12 students who benefit each year from TEL-funded Lottery for Education Afterschool Programs (LEAPs). Monies for LEAPs come from unclaimed prizes, and during FY22 the TEL made a contribution of \$18 million to this initiative.



## SALES

**THANKS TO A DIVERSE PORTFOLIO** of dynamic, fun games, a dedicated network of retailers throughout the state, and superior TEL customer service, gross Ticket Revenues increased an average of **4.1%** from FY 2019 (pre-pandemic) to FY 2022, exceeding **\$2 BILLION** for the second straight fiscal year.

Instant tickets remained the most popular style of play, providing 82% of overall sales. During the year, revenues for instant tickets were **\$1.69 BILLION**, just behind FY21's record of **\$1.74 BILLION**.



## PRIZES

**JUST IMAGINE!** Players won more than **\$1.2 BILLION** in prizes during FY22, including a **\$20 MILLION Mega Millions** jackpot won in Pegram. Another lucky player, this time in the eastern part of the state, scored the top prize of the drawing-style game, *Cash 4 Life*, which means the winner receives **\$1,000 A DAY**—for the rest of their life.

And in the instant-ticket realm, two winning tickets worth **\$3 MILLION** each were sold to players in the midstate, including two friends from Carthage who stopped at a convenience store on the way to work. The duo shared the cost of two *Jumbo Bucks Titanium* tickets ... and jumped for joy in the store's parking lot when they realized their good fortune.

There were **32 WINNERS OF \$1 MILLION** or more during the year, bringing the total to 351. All told, Tennessee Lottery players have won more than **\$17.8 BILLION** since inception—bringing countless smiles seen across the state.



## RETAILERS

**IN ADDITION TO FUNDS** for education and prizes for winners, the TEL offers eligible businesses the opportunity to be part of a robust network of more than 5,000 retailers. The benefits of being a Lottery retailer are many, including earning cash commissions, adding fun to the retail environment and the likelihood of increasing sales of non-Lottery products.

The **TEL RETAILER ADVISORY BOARD**, a diverse group of retailers that represents a variety of trade styles, continued to provide feedback and insight throughout the year to help recruit and maintain a dynamic partnership.

Lottery retailers earned **\$132.3 MILLION** in commissions during the Fiscal Year, bringing the total to **\$1.7 BILLION** since inception.





# CORPORATE SOCIAL RESPONSIBILITY

THE TEL IS COMMITTED TO positively impacting education, but its value in Tennessee extends into the community and environment through additional initiatives.

## DIVERSITY AND INCLUSION

*The TEL is committed to fostering diversity and inclusion through the following initiatives:*

**WANDA YOUNG WILSON INTERNSHIP PROGRAM**, which provides professional training and entry-level work experience to students attending Tennessee's Historically Black Colleges and Universities.

**TEL'S BOARD OF DIRECTORS MINORITY BUSINESS PARTICIPATION COMMITTEE**, which analyzes progress and spending achievements of TEL diversity programs at its quarterly meetings.

**TEL ADVISORY COUNCIL ON MINORITY BUSINESS PARTICIPATION**, a group of business leaders who assist with developing strategies to increase minority business participation.



**ANNUAL DIVERSITY TRAINING** for the entire TEL workforce, which continues to represent an impressive level of diversity:

**60% WOMEN      40% MEN**  
**45% MINORITY      55% NON-MINORITY**

**EQUAL BUSINESS OPPORTUNITY PROGRAM**, which includes active engagement with minority businesses. The TEL and its major procurement vendors exceeded goals in FY22 as follows:

**TEL - 21% | IGT - 20% | SCIENTIFIC GAMES - 17% | BUNTIN - 16% PARTICIPATION** in the Governor's Office of Diversity Business Enterprise programs and sponsoring procurement workshops with an emphasis on minority business recruitment.

## RESPONSIBLE GAMING

*The Lottery is committed to raising funds for education in a socially responsible manner and has incorporated Responsible Gaming (RG) practices within its business model and adopted industry-recognized best practices.*

- In June of FY22, after an arduous submission process, the TEL was awarded recertification of the **RESPONSIBLE GAMING LEVEL 4 CERTIFICATION** from the **WORLD LOTTERY ASSOCIATION**, which is the highest level.
- The Lottery also maintains the highest level of Responsible Gaming verification from the

North American Association of State and Provincial Lotteries /National Council on Problem Gambling.

- RG focus areas include **STAKEHOLDER ENGAGEMENT, GAME DESIGN, RETAILER AND EMPLOYEE PROGRAMS, ADVERTISING AND MARKETING AND TREATMENT REFERRAL.**
- And while the TEL is designed to be an affordable form of entertainment, various platforms are in place to remind players: **HAVE FUN. PLAY RESPONSIBLY.**



## COMMUNITY ENGAGEMENT

*The TEL is committed to participating in activities that benefit communities in a variety of ways. Examples from the past year include:*

- Community outreach by serving as a PENCIL public school partner and incorporating social initiatives into the summer intern program's scope of work.

- Participation in the state's Amber Alert program.
- Sponsoring "Educator of the Week" recognition programs on TEL television drawing stations in six markets throughout the state.
- Sponsoring and participating in sporting events, fairs and festivals.

### Contact Us:

For more information, visit [tnlottery.com](https://tnlottery.com) or call 615-324-6500.  
Follow us on Facebook, Twitter & Instagram

For more details about the TEL's FY22 financial performance and review of the FY22 Audit Report, visit [tnlottery.com](https://tnlottery.com).