



# OLR RESEARCH REPORT

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## **QUESTIONS FOR CONNECTICUT LOTTERY CORPORATION BOARD MEMBER NOMINEE**

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### **CONNECTICUT LOTTERY CORPORATION BOARD (CLC) OF DIRECTORS (CGS § 12-802)**

- The board consists of 13 members who serve at the pleasure of the appointing authorities. At least four must have skill, knowledge, and experience in the fields of management, finance, or operations in the private sector.
- The governor appoints five members, including the chairperson; the six top legislative leaders each appoint one. The state treasurer and Office of Policy and Management director serve as ex-officio members.
- Both houses confirm the governor's appointees following the procedure for confirming department heads.
- The court may remove directors for misfeasance, malfeasance, or willful neglect of duty.

## QUESTIONS FOR NOMINEE

1. The corporation is charged with (1) operating and managing the lottery in an entrepreneurial and business-like manner, (2) increasing lottery revenue, and (3) operating the lottery with integrity and for the public good.
  - Do you see any tension between these goals?
  - How can the agency ensure that its pursuit of revenue does not conflict with its responsibility to protect the public from the negative effects of gambling?
2. Some gambling critics contend that the state has exceeded its “modest” objective to use the lottery to raise money for public services and instead is using it to promote large-scale gambling through widespread advertising and placement of lottery terminals in neighborhood stores. Is this a reasonable assessment of the situation, and how should we address it?
3. Given sufficient personnel and resources, what initiatives would you most like the agency to take on in the future? How do these initiatives square with CLC’s mission?
4. Research suggests growing consumer zeal to buy lottery tickets on the Internet. What are your views on Internet gambling? What opportunities does Internet gambling present for the state? What threats does it pose?
5. How much revenue did CLC transfer to the General Fund in the last five fiscal years? Does CLC set annual targets? If yes, on what does it base the target? Do you anticipate that it will meet or exceed its target this year?
6. In April, the corporation launched its “Super Draw 2” game with prizes ranging from \$100 to \$20,000 and a \$1 million top prize. How have sales been going for this game? How does the corporation come up with new games?
7. In the last 12 or so months, there were several massive Powerball jackpots. How is the state’s share of Powerball revenue determined?

8. Gambling was once seen as recession proof. But in the last few years, many segments of the industry have been reporting declining revenue.
  - What is the outlook for state lotteries in the current economic climate?
  - What do you see as the biggest threat to increasing lottery revenue?
  - How does the Connecticut lottery compare with other state lotteries in terms of revenue generation?
  - What are some of the best practices of more successful states?
9. Last year, the legislature allowed the Division of Special Revenue to establish a settlement initiative program to collect money from delinquent lottery sales agents.
  - What was the magnitude of the problem?
  - How has the program worked?
  - How much money was collected?
10. When was the last time the legislature increased the commission paid to lottery agents? How many lottery agents have terminated their contracts with CLC in the last five years because they considered the commission inadequate?
11. CLC's advertisements all end with "please play responsibly." But some people contend that gambling is inherently irresponsible. How would you define responsible play?
12. In the past, CLC has been criticized for paying excessive bonuses to employees.
  - What criteria does CLC use to determine bonuses?
  - Approximately how much did the corporation pay in bonuses in the last fiscal year?
  - What was the average bonus paid in the last fiscal year?
  - Approximately how much were the three biggest bonuses paid?

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