**Office of Program Evaluation and Government Accountability**

**Maine State Lottery Review**

**Proposed Modification of Scope Questions**

**Background:**

This topic was originally put on OPEGA’s 2007-2008 work plan as a possible area of savings from a survey of other states done by OPEGA, but a review was not initiated at that time. On February 22, 2013 the Government Oversight Committee (GOC) voted to place this topic back on OPEGA’s work plan and OPEGA began preliminary research in August of 2013. At the Committee’s December 12, 2013 meeting the results of OPEGA’s preliminary research on this topic were discussed and the GOC approved the following questions for a review of the Maine State Lottery.

* What are the expenses of the Maine State Lottery? Are they adequately controlled and minimized to the extent possible in order to maximize transfers to the State General Fund?
* How does the Maine State Lottery monitor and ensure that key provisions of the Lottery Gaming System contract are met?
* What entities have a role in governing and overseeing the Maine State Lottery? Is there sufficient governance and oversight of MSL key decisions impacting revenues, expenses and operations?
* What was the original legislative intent for use of lottery funds and has that changed over the Lottery's history?
* What does the Maine State Lottery consider when making decisions about games to be offered and how they will be marketed? Who has responsibility for making and overseeing those decisions?

**Proposed Scope Modifications:**

Over the course of 2014 and 2015 the review of the Maine State Lottery was given low priority due to other work assigned by the GOC. At its January 8, 2016 meeting, the Government Oversight Committee directed OPEGA to modify the scope of the review, and give it priority in response to a recent study reported by the Maine Center of Public Interest Reporting (MCPIR). MCPIR’s stories focused on regions of the state with the highest lottery spending per capita and raised questions for legislators about whether Maine State Lottery was marketing to citizens with lower incomes.

Based on the GOC’s discussion at its January 8, 2016 meeting, OPEGA proposes the following questions for a modified review scope:

* What entities have a role in governing and overseeing the Maine State Lottery? Is there sufficient governance and oversight of MSL key decisions impacting revenues, expenses and operations?
* What does the Maine State Lottery consider when making decisions about games to be offered and how they will be marketed? Are any particular demographic groups or regions of the State specifically targeted in the Lottery’s advertising and marketing? Who has responsibility for making and overseeing those decisions?
* How are lottery winnings considered in determining eligibility for public benefits? Are lists of lottery winners compared to lists of benefits recipients to determine continued benefit eligibility?

OPEGA expects it can complete this review with the approved modified scope by mid-2016.