



Dear Lottery Beneficiaries:

SCEL celebrated its fourth anniversary on January 7, 2006, and continues to focus on its mission: to provide entertainment options to adults, with integrity, and to support new educational opportunities for the people of the Palmetto State.

On December 15, 2005, SCEL achieved a remarkable milestone, when it transferred the billionth dollar to the Education Lottery Account (ELA). Lottery funds have been appropriated by the General Assembly to support a variety of new educational programs. For additional information about SCEL's operations, an overview of our history, games offered, and our ongoing commitment to education, I invite you to visit our website, www.sceducationlottery.com or contact the Executive Office at (803) 737-3951.

SCEL recognizes that each lottery dollar transferred to the ELA is critical to education. Therefore, we act as fiduciaries in managing these funds. When a ticket is sold, approximately 59.3% is paid as prizes to winners. By statute, 7% is earned by the retailer as a commission. Of the total amount, 4.0% pays for a combination of operating costs and gaming contract costs, and 0.8% goes to advertise and promote product sales. The residual portion, 28.9%, is transferred to the ELA.¹ It is our desire that our stakeholders view our agency as a fiscally conservative, socially conscientious enterprise that provides a net positive benefit to South Carolina.

We appreciate your interest in and support of SCEL. Please remember to "Have Fun. Play Smart. Play Responsibly."

Yours truly,

A handwritten signature in black ink that reads "Ernie Passailaigue". The signature is written in a cursive, flowing style.

Ernie Passailaigue
Executive Director

¹ Percentages quoted reflect the period from January 7, 2002 – June 30, 2006.

General Information



OUR MISSION...TO PROVIDE ENTERTAINMENT OPTIONS TO ADULTS, WITH INTEGRITY, TO SUPPORT EDUCATION IN SOUTH CAROLINA!

SCEL has a staff of more than 137 employees and seven departments including Executive, Internal Operations, Information Technology Systems, Sales & Marketing, Security, Legal Services, and Finance. The Internal Auditor reports directly to the South Carolina Education Lottery Commission. All employees of the Lottery serve at-will and are not covered by the State Employee Grievance Procedures Act.

SCEL has four regional offices located in Columbia, Charleston, Greenville, and Fort Mill. The regional offices have a field staff of approximately 36 employees who service SCEL retailers throughout their regional territories. They provide delivery of point-of-sale materials to retailers, advise retailers on marketing techniques, recommend businesses for licensure as retailers, and other duties as directed by the South Carolina Education Lottery Commission.

**Regional Offices/Redemption Center Locations:
Hours: Monday – Friday, 8:30 a.m. – 5:00 p.m.
(Except State Holidays)**

Columbia	Greenville	Charleston	Fort Mill
Claims Center	Claims Center and Office	Claims Center and Office	Claims Center
717-C Lady Street	18 Augusta Street	537 Long Point Road	377 Carowinds Blvd.
Columbia, SC 29201	Greenville, SC 29601	Suites 105 & 106	Suite 117
Phone: (803) 253-4004	Phone: (864) 241-5050	Mt. Pleasant, SC 29464	Ft. Mill, SC 29708
		Phone: (843) 971-1143	Phone: (803) 548-3232

For more information on employment opportunities and to fill out a lottery commission employment application, visit <http://www.sceducationlottery.com/employment.aspx>.

How Education Wins



HOW EDUCATION WINS

Thanks a Billion, South Carolina!

**Since the inception of the
Lottery, \$1.45 billion has been
appropriated to enhance
education through June 2007.**

Since launch, the South Carolina Education Lottery (SCEL) continues to focus on its objective: to support new educational opportunities for the citizens of the Palmetto State by providing entertainment options to adults who play our games. SCEL's annual beneficiary message is to inform the public of how lottery proceeds enhance educational programs. Based on this information, we want our fellow citizens to judge our success. We pride ourselves on the operation of a conservative lottery, both fiscally in earning revenues and socially as a result of the benefits South Carolinians receive from appropriations to education. To ensure that lottery revenues are expended for new educational purposes, the General Assembly requires that the net proceeds, "... supplement and not supplant existing funds used for education." *Code of Laws of South Carolina, 1976, Section 59-150-350(C)(2)*.

The General Assembly of South Carolina allocates and determines the distribution of net funds generated by SCEL. Since the Lottery's inception on January 7, 2002 through June 30, 2007, the S.C. General Assembly has appropriated \$1.45 billion to enhance the educational opportunities for South Carolinians. Lottery funds have been used to support a variety of educational programs, including:

- More than 495,000 lottery-funded scholarships through the fall semester of 2005
- \$150 million for the Endowed Chairs Program at the University of South Carolina, Clemson University, and the Medical University of South Carolina. See the South Carolina Research Centers for Economic Excellence Act of 2002, § 2-75-05
- \$390 million directed to support South Carolina's public schools
- Almost \$20 million in funding for the South Carolina Educational Television network to provide for digitalization and technology upgrades
- \$8.3 million to South Carolina counties for local libraries
- \$2 million to programs that provide gambling addiction treatment

For a complete list of transfers of lottery proceeds to the Education Lottery Account (ELA), as well as the legislative appropriations from the ELA, please visit SCEL's website at www.sceducationlottery.com or the S.C. Budget and Control Board's website at www.budget.sc.gov.

History

On November 7, 2000, South Carolina voters approved a referendum by a vote of 54 percent supporting the implementation of a state-run lottery in South Carolina. On June 7, 2001, the South Carolina General Assembly ratified the South Carolina Education Lottery Act (Act 59 of 2001). The Governor signed the Act into law, and the South Carolina Education Lottery (SCEL) was established. The net proceeds of the lottery games are used to support improvements and enhancements for educational purposes and programs.

The legislation that created SCEL also established a board of nine members appointed to staggered three-year terms. The South Carolina Education Lottery Commission was created as an instrument of the State and a public commission, with powers comparable to those exercised by commissions engaged in entrepreneurial pursuits. Three commissioners are appointed by the Governor, three are appointed by the President *Pro Tempore* of the Senate, and three are appointed by the Speaker of the House of Representatives. The South Carolina Education Lottery Commission members are:

- Tim Madden, Chairman
- James J. Bailey, Jr., Vice Chair
- Ashley Landess, Secretary
- T. Moffatt Burriss, Treasurer
- Edward Keith, M.D.
- Marvin Quattlebaum, Jr.
- B. Boykin Rose
- Lisa H. Stevens
- Nathaniel "Nate" Spells, Sr.

Proceeds of lottery games must be used to support improvements and enhancements for educational purposes and programs as provided by the General Assembly and the net proceeds must be used to supplement, not supplant, existing resources for educational purposes and programs.



SCEL's launch was one of the quickest and most successful launches in the history of the lottery industry. After the launch on January 7, 2002, SCEL continued to experience a year of successful "firsts." In its inaugural year, SCEL:

- First lottery to launch with a full complement of retailers (3,100)
- Total first calendar year sales of \$642.6 million
- First lottery to launch with multiple prize points
- Launched 34 instant games and three online games, including the multi-state game, **Powerball®**
- Launched **Pick 3** in the fastest time frame in lottery history
- Held "Second-Chance Drawings" to give players added value and encourage the proper disposal of non-winning tickets
- Best per capita sales, an average \$1.87, of lottery start-ups. The average per capita sales for other lottery states during start-up is \$0.73

2002:

January

- SCEL Launch and First Scratch Event

February

- SCEL makes first deposit to the Education Lottery Account

March

- **Pick 3** Launch

June

- **Carolina 5** Launch

July

- SCEL transfers \$80 million to the Education Lottery Account in the first six months of operation
- South Carolina Research Centers for Economic Excellence Act takes effect establishing the Endowed Chairs Program at USC, MUSC, and Clemson to encourage research and development in areas targeted to create jobs and economic opportunities. See Act 356 of 2002.

October

- **Powerball®** Launch, SCEL joins "America's Game"

2003:

January

- SCEL celebrates 1st Year Anniversary
- Beneficiary Message Campaign Launch
- **Pick 4** Launch

February

- SCEL hosts National Lottery Conference in Charleston

March

- SCEL transfers approximately \$288,000 in Unclaimed Prize Money to the Education Lottery Account
- New “Play Responsibly” Message Launch

May

- SCEL has its 1st **Powerball**® Jackpot Winner (\$88.7 million)

July

- SCEL and PalmettoPride launch *Clean\$weep*, a statewide anti-litter campaign

August

- SCEL partners with the South Carolina Law Enforcement Division and the AMBER Alert program

December

- SCEL has its 2nd **Powerball**® Jackpot Winner (\$110.75 million)

2004:

January

- SCEL celebrates 2nd Year Anniversary
- SCEL launches its jingle, “Just Plain Fun”
- SCEL launches “The Lottery Insider,” an online registry with player information

March

- **Carolina 5** changes to Monday, Wednesday, and Friday draws
- SCEL reaches a **HALF BILLION DOLLARS** in transfers to the Education Lottery Account

June

- Prints 100 Millionth *3 Times Lucky* ticket

September

- Launches 100th instant game

October

- Carolina Millionaire Promotion Grand Prize Event at the State Fair

2005:

January

- SCEL celebrates its 3rd Year Anniversary

February

- **Palmetto Cash 5** Launch
- *Carolina 5* becomes an instant ticket

March

- Using numbers from Chinese fortune cookies, 14 South Carolina players match five **Powerball**® white ball numbers. (Nationwide there are 110 fortune cookie winners.)

June

- SCEL hosts National Spring Directors Lottery Conference in Charleston

August

- **Powerball**® Matrix changes

October

- **Powerball**® Match 5 millionaire and three Match 5 Bonus Prize winners
- Largest jackpot in **Powerball**® history, \$340 million (Surpassed in February 2006)

December

- Transfers 1 BILLIONTH DOLLAR to the Education Lottery Account since start-up in January 2002

2006

January

- SCEL celebrates its 4th Year Anniversary

February

- Largest jackpot in **Powerball**® history, \$365 million

April

- Fort Mill Claims Center opens

May

- Exceeds \$1 billion in sales during FY 2005-06

About the Games

Players must be 18 years of age or older and must pay cash for tickets. Tickets may be purchased at any of SCEL's approximately 3,500 retailers across the state. Live drawings are carried on the following TV stations: WHNS in Greenville/Spartanburg, WCBD in Charleston, WLTX in Columbia, WFXB in Myrtle Beach, WHHI in Hilton Head, WMYT in Rock Hill and WRDW in Aiken. For all games, prize payouts are subject to SCEL rules and regulations that may be obtained at www.sceducationlottery.com or by writing to the following address:

South Carolina Education Lottery
P.O. Box 11949
Columbia, SC 29211-1949



To play, purchase an instant ticket from any licensed retailer. Tickets sell for \$1 to \$10. Scratch the latex-covered area off with a coin as instructed on the ticket to reveal the ticket's play area. Follow the instructions, and look for a special feature or a bonus area that may be part of the ticket. If the player wins, the lottery retailer will validate the winning ticket. For instant games, players have 90 days after the end of the game to redeem a prize. The official end of the different instant games will be posted at retail locations as well as on the SCEL website at www.sceducationlottery.com. New instant games are introduced each month, usually on the first Tuesday.





Live Pick 3 drawings occur every night at 6:59 p.m. and air on the TV stations listed above. Midday drawings occur Monday through Saturday at 12:59 p.m. and are not televised. Players can pick up a Pick 3 play slip at an SCEL Retailer. To play, select three (3) numbers from 0 to 9 and mark them on the play slip. The play slip has five play areas or panels, and players have the option of playing one panel or up to all five. Mark the “Day” or “Eve” box to select the drawing. Players may choose up to 28 advance draws or 14 days. Fill out the play slip with a pencil, blue or black ink or mark the “Quick Pick” box and allow the computer to select the numbers. Please mark whether you want to spend \$0.50 or \$1 on the play slip. After selecting the three numbers, players should present the completed Pick 3 play slip and total play amount to the retailer. Prior to each drawing, Pick 3 sales will be temporarily suspended to allow for the drawing. Pick 3 sales are suspended at 12:45 p.m., Monday through Saturday, and at 6:45 p.m. every night. After making a Pick 3 purchase, a player has up to 20 minutes to cancel the sale; however, a retailer may NOT cancel a ticket sold for a given draw after sales have been suspended for that drawing. Odds of winning a prize are from 1 in 167 to 1 in 1,000, depending upon the play type selected.



Pick 4 allows players to bet \$0.50 or \$1.00 per play. Live drawings are held every night at 6:59 p.m. and air on the TV stations listed above. Midday drawings occur Monday through Saturday at 12:59 p.m. and are not televised. Players must mark the “Day” or “Eve” box to select the draw and may select up to 28 advance draws or 14 days. To play, select four (4) numbers from 0 to 9 and mark them on the play slip. The play slip has five (5) panels, and players have the option of playing one panel or up to five. Players can also mark “Quick Pick” for random selection of numbers. Prior to each drawing, Pick 4 sales will be temporarily suspended to allow for the drawing. Pick 4 sales are suspended at 12:45 p.m., Monday through Saturday, and at 6:45 p.m. every night. After making a Pick 4 purchase, a player has up to 20 minutes to cancel the sale; however, a retailer may NOT cancel a ticket sold for a given draw after sales have been suspended for that drawing. Odds of winning a prize are from 1 in 417 to 1 in 10,000, depending upon the play type selected.



Palmetto Cash 5 is a unique numbers game that offers a top prize of \$100,000 and a chance to purchase a multiplier option to win up to \$500,000. Players choose five (5) numbers from 1 to 38. Each play costs \$1. Players win \$100,000 for matching all five numbers correctly. The player can also add the “Power-Up” multiplier option. This option multiplies all winnings by a number (ranging from 2 to 5) drawn separately during the Palmetto Cash 5 drawing. If the player chooses to “Power-Up,” the cost of each play is \$2. Players can buy tickets for up to twenty consecutive draws by marking the appropriate box in the “Multi Draw” area. Prior to each drawing, Palmetto Cash 5 sales will be temporarily suspended to allow for the drawing. Palmetto Cash 5 sales are suspended at 6:45 p.m. on Monday, Wednesday, and Friday. After making a Palmetto Cash 5 purchase, a player has up to 20 minutes to cancel the sale; however, a retailer may NOT cancel a ticket sold for a given draw after sales have been suspended for that drawing. Drawings occur every Monday, Wednesday and Friday at 6:59 p.m. Overall odds of winning a prize are 1 in 8.4. Overall odds of matching all five numbers are 1 in 501,942.



Powerball[®] drawings take place twice weekly, every Wednesday and Saturday at 10:59 p.m. Eastern time. Players pay \$1 and select five white balls from the first set of 55 numbers plus a single red ball, the Powerball[®], from the second set of 42 numbers. Players may select their own numbers using a Powerball[®] play slip or they may opt for computer-selected “Quick Picks.” Players must match all five white ball numbers drawn PLUS the red Powerball[®] number to win the jackpot. Players may spend an extra \$1 per play and mark or ask for the PowerPlay[®] option to multiply winnings by 2, 3, 4 or 5 (excluding the jackpot). The PowerPlay[®] multiplier number is determined in a separate drawing aired during the Powerball[®] drawing. Tickets for Powerball[®] may be purchased for up to 20 Draws in advance. Powerball[®] tickets are available for purchase 5:00 a.m. to midnight daily, except for drawing days (Wednesday and Saturday), when sales are temporarily suspended at 9:59 p.m. to allow for the Powerball[®] drawing. Powerball[®] ticket sales CANNOT be canceled. Overall odds of winning a prize are 1 in 36.6. Overall odds of winning the jackpot are 1 in 146,107,962.

Claiming Prizes

There are three ways to claim a prize:

- For winning tickets up to and including \$500, winners may claim a prize at authorized Lottery Retailers.
- For winning tickets up to and including \$200,000, winners may claim a prize at the Regional Claims Offices. Prizes over \$200,000 may be redeemed ONLY at the SCEL Columbia Claims Office.
- Winners may also mail in their winning tickets. The back of the winning ticket must be signed and accompanied by an official S.C. Education Lottery claim form, available at any authorized S.C. Education Lottery Retailer or on the SCEL website. A copy of picture identification (state I.D., driver's license, or military I.D.) is required for all winnings over \$500. Given that the risk of mailing tickets remains with the player, registered mail is recommended.

For more detailed information about the South Carolina Education Lottery and our games, please visit our website at www.sceducationlottery.com.

Have Fun. Play Smart. Play Responsibly.

If you believe you or someone you know has a gambling problem, treatment is not only available, but also effective in improving the lives of problem gamblers and their families. In South Carolina, information regarding local gambling addiction services can be obtained by calling toll-free 1-877-452-5155. Nationally, persons who believe they may have a gambling problem can seek help by calling a 24-hour confidential live hotline at 1-800-522-4700.