June 14, 2018

Eric Miller  
Chief Inspector General  
The Capitol  
Tallahassee, FL 32399-0001

Dear Chief Inspector General Miller:

Section 20.055(6)(h), Florida Statutes, requires the Inspector General to monitor the implementation of the agency’s response to any report on the Florida Lottery issued by the Auditor General or by the Office of Program Policy Analysis and Government Accountability. The referenced statute further requires that no later than six months after the report is published, the Inspector General must provide a written response on the status of actions taken. The purpose of this letter is to provide updated information on the agency’s response to the Auditor General findings and fulfill these requirements.

The Auditor General released report #2018-078, Financial Audit for Fiscal Year Ended June 30, 2017, on December 21, 2017. The attachment details each audit finding and recommendation with the current progress of Lottery staff to address each recommendation.

If you require additional information in these matters, please feel free to contact me at your earliest convenience at (850) 487-7726.

Sincerely,

Andy Moppeller  
Inspector General

cc: Joint Legislative Auditing Committee
<table>
<thead>
<tr>
<th>Finding</th>
<th>Recommendation(s)</th>
<th>Management Response as of December 21, 2017</th>
<th>Management Response as of June 14, 2018</th>
<th>Anticipated Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Technology Controls</td>
<td>We recommend that Lottery management make the necessary IT control enhancements to address the issue identified.</td>
<td>The Lottery has made the necessary enhancements presented by this audit or is in the process of implementing the enhancements. The Lottery has an ongoing process to improve IT controls and will continue to reengineer where necessary to tighten controls.</td>
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<td>Ongoing</td>
</tr>
<tr>
<td>Minority Retailer Participation</td>
<td>We recommend that the Lottery enhance its efforts to increase retailer participation in under-represented minority groups.</td>
<td>We will continue to look for opportunities to recruit retailers, including those in under-represented minority groups. We will continue to utilize advertising in both minority and general market trade magazines and newspapers. We will also continue to work with retailer trade associations to reach out to minority-owned businesses. Finally, our sales force will continue to recruit minority-owned businesses as a part of their standard sales practices.</td>
<td>Between January 1, 2018 and June 1, 2018, the Division of Sales has actively recruited new businesses to become Florida Lottery retailers. 294 businesses have submitted applications, 208 of which are minority-owned locations. Of those 208, 30 are African-American, 16 are Women, 94 are Asian-American, and 68 are Hispanic American.</td>
<td>6/30/2018 Despite this individual recruitment effort will end at the conclusion of the fiscal year, we will continue a new effort at the start of the next fiscal year.</td>
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