

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

**Department of Administrative and Financial Services**  
Rebecca M. Wyke, Commissioner

**Bureau of Alcoholic Beverages and Lottery Operations**  
Dan A. Gwadosky, Director

10 Year Evaluation Report  
November, 2007



JOHN ELIAS BALDACCI  
GOVERNOR

STATE OF MAINE  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
BUREAU OF ALCOHOLIC BEVERAGES AND LOTTERY OPERATIONS  
8 STATE HOUSE STATION  
AUGUSTA, MAINE  
04333-0008

REBECCA M. WYKE  
COMMISSIONER

DAN A. GWADOSKY  
DIRECTOR

TO: Senator Lisa T. Marraché  
Representative John L. Patrick  
Members of the Legal and Veterans Affairs Committee

FROM: Dan A. Gwadosky, Director  
Bureau of Alcoholic Beverages and Lottery Operations

DATE: November 2007

RE: Bureau of Alcoholic Beverages and Lottery Operations

The mission of the Bureau of Alcoholic Beverages and Maine State Lottery Operations is to provide exceptional service while managing the state's enterprises of Liquor and Lottery through dynamic product development, distribution and sales in order to be a consistent revenue producer to the State. Each budget cycle the bureau is proud to transfer more than \$100 million dollars to the State's General Fund.

The State's regulation of liquor originated in 1862 with the establishment of a Commission to Regulate Sale of Intoxicating Liquors and to have control of liquors kept and sold for medicinal and manufacturing purposes. A State Lottery was approved by public referendum in November 1973 for the purpose of generating additional revenues for the State's General Fund. The first State Lottery Commission was appointed in January 1974. In 1992, the Maine State Lottery and the Bureau of Alcoholic Beverages were combined to become The Bureau of Alcoholic Beverages and Lottery Operations. The following year, 1993, the Maine State Liquor Commission and State Lottery Commission merged into a single combined Commission of five members. The Commission meets monthly to review the profit performance of the Bureau, approve lottery games and register distilled spirits products.

We look forward to reviewing the report and the work of the Bureau of Alcoholic Beverages and Lottery Operations with members of the Legal and Veterans Affairs Committee.

**BUREAU OF ALCOHOLIC BEVERAGES AND LOTTERY OPERATIONS**

**GOVERNMENT EVALUATION ACT  
PROGRAM EVALUATION REPORT**

**TABLE OF CONTENTS**

A.	Enabling Legislation.....	1
B.	Program Description.....	1 - 4
C.	Organizational Structure.....	5
D.	Compliance with Federal and State Health and Safety Laws.....	6
E.	Financial Summary.....	6 - 10
F.	Regulatory Agenda.....	11
G.	Agency Coordination.....	12
H.	Constituencies Served.....	12 - 13
I.	Alternative Delivery Systems.....	13
J.	Emerging Issues.....	13 - 14
K.	Addendum:	
	Lottery	History of Lottery Sales Maine State Lottery History Highlights 2007 Distribution of Sales Revenues Ticket Sales 1994 - 2007
	Liquor	2006 Top Selling Agency Stores 2006 Top Selling Distilled Spirits

## **A. Enabling Legislation**

The Bureau of Alcoholic Beverages and Lottery Operations operates under enabling legislation found in Titles 8 and 28-A and collects state revenues necessary to support state government and agency programs.

## **B. Program Description Lottery**

The Maine State Lottery was established by the Legislature in March 1973, and it was approved in a state-wide referendum in November of the same year by a vote of 154,911 to 90,433. Net proceeds of the lottery games are dedicated to the General Fund with the exception of a one dollar game which is dedicated to the Outdoor Heritage Fund. The Bureau is proud of its commitment in providing the citizens of Maine with fun and exciting entertainment through the complete distribution and sales of lottery products. The lottery was established to operate as a dynamic entrepreneurial business enterprise and to be accountable to the Commissioner of Administrative and Financial Services through a system of audits and reports and through compliance with financial disclosure, open meetings and public records laws. The Bureau Director is appointed by the Commissioner. A five member commission is appointed by the Governor with legislative confirmation. The Bureau contracts out ticket production and marketing functions. The Bureau's headquarters are located in Hallowell. The Director is charged with overall management of the Bureau.

On-line lottery ticket sales began in June 1974 and since that time, the Bureau has developed various categories of instant tickets and on-line lottery games and promotions, which have generated over \$3 billion in sales revenues, including over \$1.8 billion in player prizes. Over \$830 million has been transferred to the State General Fund.

### **Current Games**

Current lottery games include a variety of instant and on-line games. Players can collect winnings under \$599 from any lottery retailer. Prize winnings over \$599 can be collected in-person or through the mail from the Bureau's headquarters in Hallowell. Jackpot winners have the option to choose a lump sum cash payment or annual payments of such prizes.

### **Instant Games**

In June 1975, the first one dollar instant game "The Incredible Instant Game" went on sale. Currently, the lottery introduces approximately 50-55 new games each year. Most instant games are designed to sell out in approximately 26-30 weeks. The portfolio of products offered at any given time provides a wide range of play styles, game themes, and price points for players to choose from. Prices of instant game tickets range from \$1 to \$20. Prizes include cash, merchandise and second chance drawings. All winning instant tickets must be redeemed within 365 days of the official end date of that game.

Instant ticket sales for the Fiscal Year ending June 30, 2007 were \$169 million or 74% of combined sales. The Maine lottery instant games rank 10<sup>th</sup> among the 41 United States lottery jurisdictions in per capita sales. The game designs and prize structures of the games are revised periodically to maintain interest and boost ticket sales. This has led to a movement by players to 'buy up' in ticket price points.

### **The Maine Outdoor Heritage Fund Instant Ticket**

Concerned about a lack of funding for projects that conserve the outdoors for Maine people and wildlife, the Sportsman's Alliance of Maine and the Maine Audubon Society joined forces in 1994 to address the problem. Their referendum campaign to establish an instant Lottery ticket dedicated to conservation was so successful that the Legislature implemented the program on its own, bypassing the need for a referendum. Since tickets first went on sale in January, 1996 over \$13 million has been generated, funding grants to hundreds of worthy projects. Maine Outdoor Heritage Fund \$1 tickets are available where Maine State Lottery tickets are sold.

### **On-Line Games**

The Bureau currently operates six on-line games – PICK 3, PICK 4, PAYCHECK, FASTPLAY, MEGABUCKS and POWERBALL. All of the games are fixed prize payout games. The only exceptions are the jackpot prizes in the two lotto games, MEGABUCKS and POWERBALL.

Ticket prices for all on-line games are 50¢, \$1 or \$2. Currently, drawings for PAYCHECK, MEGABUCKS and POWERBALL are held twice each week, and drawings for PICK 3, PICK 4 are held twice daily. FASTPLAY is an on-line game with an instant win. Sales of on-line tickets for the Fiscal Year ending June 30, 2007, were \$60 million or 26% of combined sales.

Maine, Vermont and New Hampshire formed the first multi-state Tri-State Lotto Compact in April 1985. Sales for the Tri-State Megabucks game started on September 3, 1985 with a Saturday night draw. In May 1990, the number of draws increased to twice a week, Wednesday and Saturday. In June 1996, the game was enhanced to include MegaCash. This option allows jackpot winners to take their share of the money available in the jackpot prize pool in a one-time-only, lump sum payment, which is about half the estimated annuitized jackpot.

In July 2004, Maine joined 28 other jurisdictions and began selling POWERBALL, with current starting jackpots of \$15 million dollars that can grow into hundreds of millions of dollars. The drawings are held Wednesday and Saturday nights.

**See attached handout of games**

### **Retail Distribution Network**

Tickets for instant and on-line games are sold to the public through a distribution network of contracted retailers, who receive a commission of 5% for on-line ticket sales and 8% for instant ticket sales. The New England and National average for instant ticket commissions is 5%. The agents also receive a 1% selling bonus on the redemption of tickets over \$1,000 with the exception of Megabucks and Powerball jackpot prizes. Currently there are approximately 1,375 retailers of which 1,042 sell both on-line and instant games. Retailers are subject to various reviews and performance standards. Retailers sign a licensing agreement with the Bureau and are provided with Lottery products on consignment. Their financial accounts are swept electronically once tickets are sold.

### **Ticket Service Provider**

The Bureau has a contract for both on-line and instant ticket services with Scientific Games International, Inc. ("Scientific Games"). Scientific Games and the Bureau entered into a shared-risk agreement which is effective through June 30, 2011. The basic elements of the agreement are: Scientific Games is paid only for instant tickets that have been sold to the retailers and is responsible for marketing support, research, printing, supplies, warehousing of tickets and the gaming system. Scientific Games is currently compensated at the rate of 4.85% of net ticket sales, with the rate declining to 4.75% for 7/09-6/11. The contract provides for liquidated damages, a performance bond, and other liability coverage to protect the Bureau's interests. Both quantitative and qualitative types of market research are performed by Scientific Games in cooperation with the Bureau for instant and on-line games.

### **Advertising and Promotions**

The Bureau has a contract with NL Partners of Portland, Maine which is in effect through October 31, 2009. The purpose of lottery advertising is to maximize awareness, build player loyalty, communicate with players and maintain market share in the gaming, entertainment and consumer product industries. The advertising and promotion program uses numerous media vehicles including television, radio, internet, outdoor signage, and print to support various branding, promotional and product campaigns in nine Maine media markets.

### **Instant Ticket Vending Machines**

The Bureau has a contract with GTECH Corporation to provide 150 instant ticket vending machines which is in effect through August 31, 2009. The bureau strategically places these machines at locations across the state and periodically evaluates their financial performance at each location. These machines generate approximately \$11 million in annual sales.

### **Information Systems**

The Bureau performs the testing, coordination, and implementation for the gaming related systems. The Bureau in cooperation with Scientific Games implements software to ensure that proper data and user authentication security is built into each new business application to preserve the integrity of the games. Additionally, the data within each business application system is protected through controlled access authorization and logical file protection mechanisms to ensure accurate storing, processing, and reporting of information. A multitude of gaming support and administrative applications are designed ranging from payment of winning tickets, sales reporting and accounts receivable. The lottery gaming system has been updated with the latest technology in clerk operated terminals and keyless validation terminals. The new system includes advertising displays that gives the capability to promote games, jackpot amounts and winners. The Scientific Games data center operates on a 24-hour-a-day, 7-day-a-week schedule, holidays included. There is a remote logger backup, which is intended for business continuation in the event that the data center is incapacitated. The Bureau is responsible for maintaining and coordinating the Business Continuity Plan.

### **Lottery Security**

To promote and protect the integrity of, and the public confidence in the lottery games, the Bureau is responsible for maintaining the security of the facilities, the drawings, and the integrity of employees, retailers and major service providers. Technology delivery is highly secure and is required to be evaluated at least once a year by a contracted outside vendor.

Instant ticket security is ensured by a high level of security during packing and during delivery of the tickets. Instant tickets are only valid or activated after they are received by the retailer.

An extensive system of internal controls and procedures exist to ensure the integrity of lottery drawings for on-line games, including secure storage of draw machines and ball sets, monitored storage room with strict access procedures, drawings recorded by staff and video and independent verification of results of each drawing by an accountant from an independent certified public accounting firm.

### **Responsible Playing**

The Maine State Lottery encourages players to "Please Play Responsibly". The odds of winning the largest prize are printed on all tickets. The National 1-800 Problem Gambling number is included on all tickets and point of sale information. The Lottery works with the Gambling Control Board and Office of Substance Abuse on Problem Gambling initiatives and has created a responsible playing media campaign.

## **B. Program Description Liquor**

The mission of the Bureau with respect to liquor is to effectively regulate the distilled spirits industry to ensure responsible business practices and create a favorable economic climate while prohibiting sales to minors. The Bureau works daily with the Department of Public Safety on issues of enforcement and advertising. We also collaborate with the State Attorney General's Office to evaluate our distilled spirits listing process, initiate programs to further educate the public on the issues of furnishing alcohol to minors and more generally the challenges of illegal consumption on college campuses. Ultimately our aim is to build and sustain community solutions that support the retail network and benefit Maine citizens.

Maine is one of 19 Control State jurisdictions. This means that distilled spirits are available only at licensed on and off premise facilities that have been inspected and approved by the state. The State's role in the distribution and retail sales of spirits has been almost completely transformed since the 1970's. After the repeal of prohibition in 1933, the only way citizens could purchase spirits in the State was from a state-operated liquor store.

In the 1970's, private retailers or agency stores were licensed as agents of the State for the purpose of selling distilled spirits. The State sold spirits to these agents at a discount and established a uniform retail price at which the spirits would be sold throughout Maine, providing equal access and pricing from York to Fort Kent.

Beginning in the mid 1990's, the State began to close some of its own stores as more and more private agency stores were licensed. The Governor's budget presented to the First Regular Session of the 121st Legislature proposed to close the remaining State liquor stores and sell, transfer or lease the wholesale operation run by the State's Department of Administrative and Financial Services, Bureau of Alcoholic Beverages and Lottery Operations to a private entity.

In May of 2004, the State signed a ten year lease with Maine Beverage Company for the warehousing and distribution of spirits subject to price regulation by state. Maine Beverage paid the state \$75 million in FY '04 and \$50 million in FY '05 for this privilege. Maine Beverage partnered with Pine State Trading Company for warehousing and distribution services. The warehouse is in Augusta, as are the corporate offices of Maine Beverage Company. The Bureau provides oversight of the lease agreement with Maine Beverage Company by requiring monthly and annual financial reports and instituting an auditing process. Today, through a partnership with the Department of Public Safety, more than 325 private retailers and agency stores are licensed to sell spirits.

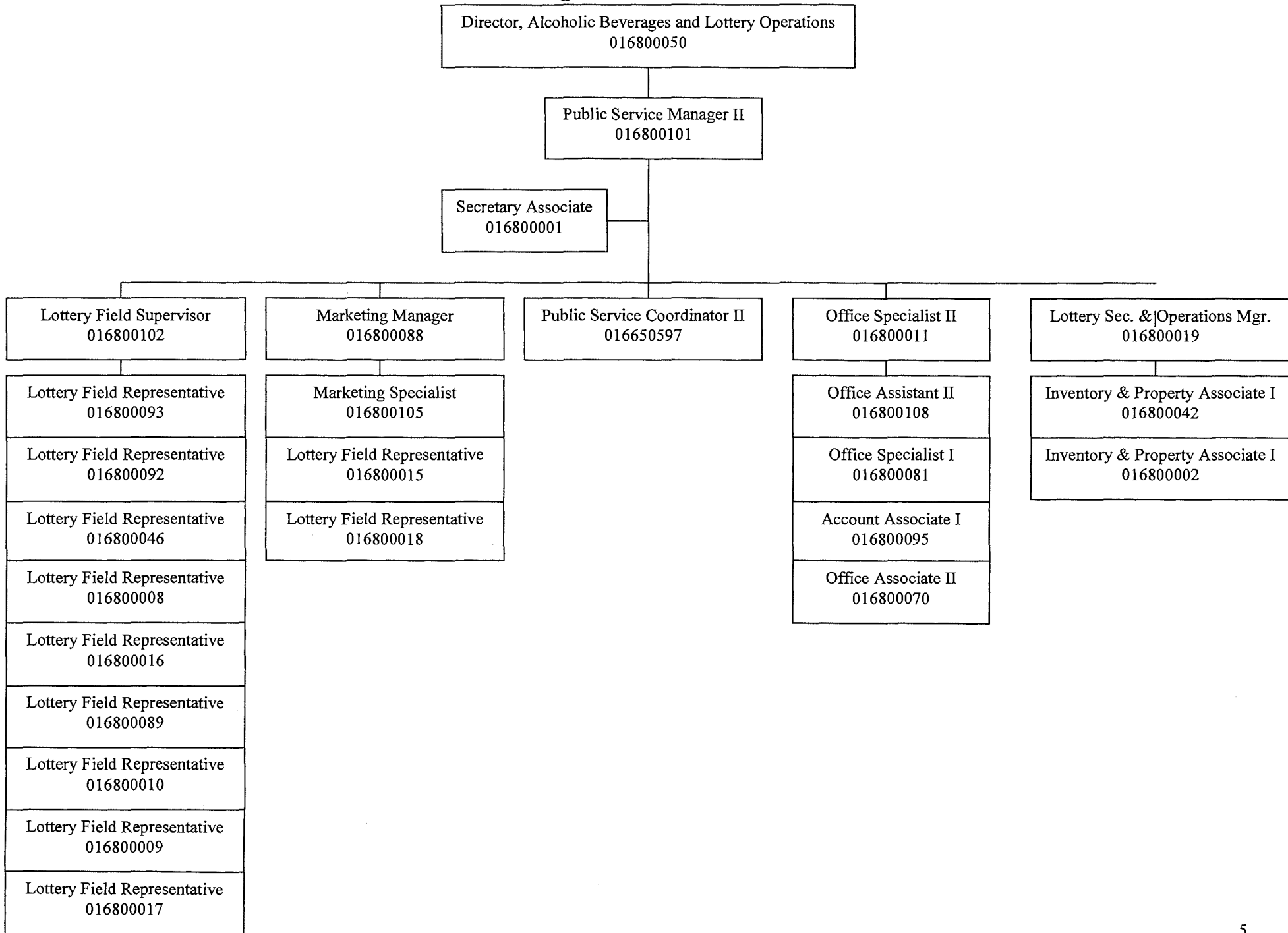
Pursuant to the lease, the state guarantees an annual gross profit baseline in aggregate sales of 36.8% to Maine Beverage Company. When annual aggregate sales exceed 36.8% profit sharing is triggered with the state at 50% sharing of the baseline overage. The Bureau is responsible for the registration of all distilled spirits and sets a uniform price for the more than 2,00 products. Each product is placed into a specific category and profit margins are determined. Pricing is reviewed quarterly for adjustments submitted by suppliers and the state. Discount requests from suppliers for sales items are also reviewed each month. Strategic pricing by the Bureau is important to generate sales and ensure the state's contractual Gross Profit Margin guarantees to the private vendor are being met each year while the state is receiving its share as well.

#### **Impact of lease**

Sales for distilled spirits in Maine have increased 7% since the privatization of the wholesale distribution. The current partnership continues to have a significant impact on the economic well being of agency liquor stores operating throughout the state. Service enhancements are impressive. Retail agent's ordering time has been decreased from 7 to 2 days while delivery days have increased from 1 to 2 days per week. Agents can now order via the internet and assistance is provided with the unloading of shipments from the truck into the store. Orders can be for less than a full case with the exception of the top selling 45 brands. Predictability, courtesy and responsiveness are the hallmark of this new partnership.



### C. Organizational Structure



## **D. Compliance with Federal and State Health and Safety Laws**

The Bureau of Alcoholic Beverages and Lottery Operations strives to comply with all applicable Federal and State health and safety laws and complies with the Department of Administrative and Financial Services policies in the following areas:

### **Equal Employment Opportunity/Affirmative Action Plan**

The Department of Administrative and Financial Services is firmly committed to the principles of equal employment opportunity and affirmative action and adopted an EEO/AA Plan on January 1, 2000. The Department requires a good faith effort to identify and remove artificial employment barriers and takes appropriate remedial action to ensure equal employment opportunity.

### **Harassment**

The Department does not tolerate harassment of any employee and has informed its non-supervisory employees of their rights under the State's harassment laws, including a new department policy that took effect in 2000.

### **Americans with Disabilities Act**

The Department does not discriminate on the basis of disability in employment or the provision of programs and services. Further, the Department is committed to providing reasonable accommodations to qualified applicants and employees with disabilities in accordance with state and federal laws.

### **Occupational Safety and Health Administration**

The Department is committed to providing a safe and hazard-free work environment and adheres to the Bureau of Labor Standards requirement that each employer furnish employees with a place of employment which is free from hazards that are likely to cause injuries, illnesses or accidents.

### **Workers' Compensation**

The Department provides benefits for occupational injuries or diseases suffered by an employee, regardless of fault, in compliance with state law. Every effort is made to handle workers' compensation claims in a manner that treats the injured employees with dignity and respect. The Department strives to provide the highest standard of care to injured employees in order to guarantee rapid recovery with the least possible disability. All actions, including benefit payments, medical care and any services necessary to return the employee to work, are provided in a prompt, fair and equitable manner.

## **E. Financial Summary**

### **Lottery**

Since its inception the Lottery has contributed more than \$830 million to the State General Fund. The finances of the Bureau are controlled by the Department of Administration and Financial Services. The Bureau is required to certify monthly to the Treasurer of State, the Liquor and Lottery Commission and commissioner a full and complete statement of lottery revenues, prize disbursements and other expenses for the preceding month; submit an annual report, subject to the approval of the commission, that includes a full and complete statement of lottery revenues, prize disbursements and expenses, to the Governor and the Joint Standing Committee of the Legislature with jurisdiction over lottery operations. The State's Auditor may also, at any time, conduct an audit of any phase of the Bureau's operations.

Department of Administrative and Financial Services  
Bureau of Alcoholic Beverages & Lottery Operations  
**Liquor Operations**  
Ten Year Financial Summary

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Net Sales (A)</b>	68,833,012	70,921,771	76,599,135	79,647,455	81,576,220	85,395,495	89,054,685	97,042,700	104,114,100	109,502,700
<b>COGS</b>	41,886,051	43,468,961	46,034,337	48,015,612	50,460,683	54,032,401	58,421,873			
<b>Gross Income From Sales</b>	26,946,961	27,452,810	30,564,798	31,631,843	31,115,537	31,363,094	30,632,812			
<b>Personal Services</b>	3,851,612	4,006,205	3,852,538	4,160,697	3,668,055	2,831,939	715,230			
<b>All Other Expenses</b>	2,784,462	3,710,329	3,933,745	3,431,997	2,640,694	2,680,619	2,758,434			
<b>Total Operating Expenses</b>	6,636,074	7,716,534	7,786,283	7,592,694	6,308,749	5,512,558	3,473,664			
<b>Income to From Operations</b>	20,310,887	19,736,276	22,778,515	24,039,149	24,806,788	25,850,536	27,159,148			
<b>Miscellaneous</b>	235,275	58,502	448,243	192,122	361,737	222,739	23,595			
<b>Prior Period Adjustment</b>										
<b>Lease Payment from ME Beverage (B)</b>							75,000,000	50,000,000		
<b>State Revenue Share (C)</b>								0	2,604,300	4,412,300
<b>Total Other Income</b>	235,275	58,502	448,243	192,122	361,737	222,739	75,023,595	50,000,000	2,604,300	4,412,300
<b>Transferred to General Fund</b>	20,546,162	19,794,778	23,226,758	24,231,271	25,168,525	26,073,275	102,182,743	50,000,000	2,604,300	4,412,300
<b>Premium Tax Transferred (D)</b>	1,593,834	1,461,174	1,581,648	1,628,787	1,653,122	1,676,392	1,775,223	1,870,700	1,880,200	1,904,200

(A) FY05 through FY07 figures represent sales by ME Beverage Company

(B) State leased the wholesale warehousing and distribution of spirits to ME Beverage for a period of 10 years for \$125,000,000. Terms required payments to be made in FY 04 and FY 05.

(C) Lease agreement with ME Beverage Company has provisions for revenue sharing.

(D) Premium tax was collected by the state until 2005. In 2005 ME Beverage began collecting the premium tax for the state. Money benefits substance abuse programs throughout Maine.

From 2007  
Report to LVA

Department of Administration & Financial Services  
Bureau of Alcoholic Beverages & Lottery Operations  
**Lottery Operations**  
Ten Year Financial Summary

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
<b>Net Sales</b>	148,890,098	144,586,914	147,913,611	146,590,705	157,908,755	164,633,109	185,874,330	209,299,130	229,704,024	230,023,875
<b>COGS</b>	101,220,758	96,085,358	102,953,364	103,074,222	110,814,906	118,782,150	138,347,797	153,324,214	170,725,167	172,628,393
<b>Gross Income From Sales</b>	47,669,340	48,501,556	44,960,247	43,516,483	47,093,849	45,850,959	47,526,533	55,974,916	58,978,857	57,395,482
<b>Personnel Services</b>	1,180,629	1,155,625	1,208,756	1,252,388	1,317,603	1,257,648	1,258,299	1,525,937	1,612,418	1,601,449
<b>All Other Expenses</b>	8,671,617	10,159,698	5,584,367	6,140,516	7,319,688	6,466,068	6,181,723	6,497,968	7,133,927	6,633,753
<b>Total Operating Expenses</b>	9,852,246	11,315,323	6,793,123	7,392,904	8,637,291	7,723,716	7,440,022	8,023,905	8,746,345	8,235,202
<b>Income From Operations</b>	37,817,094	37,186,233	38,167,124	36,123,579	38,456,558	38,127,243	40,086,511	47,951,011	50,232,512	49,160,280
<b>Other Income</b>	3,930,161	2,434,662	1,386,633	715,636	2,033,221	2,126,163	2,441,044	2,378,670	1,786,202	2,275,059
<b>Total Transferred</b>	41,747,255	39,620,895	39,553,757	36,839,215	40,489,779	40,253,406	42,527,555	50,128,412	51,787,714	51,435,339
<b>Amount Transferred to General Fund</b>	40,742,052	37,871,353	38,125,785	35,450,104	39,317,891	39,442,110	41,752,638	49,328,103	50,879,649	50,624,741
<b>Amount Transferred to Heritage Fund</b>	1,104,635	1,749,542	1,427,972	1,389,111	1,171,888	811,296	774,917	800,309	908,065	810,598

The Maine Lottery is considered a mature lottery with a full compliment of both instant and on-line products. In Fiscal Year 2005, the Bureau exceeded the \$200 million mark in total sales for the first time. In that year, the General Fund transfer exceeded \$35 million for the fourteenth consecutive year. With the addition of Powerball and higher price points for instant tickets, total sales exceeded \$230 million in 2007 and the General Fund transfer or net profit was \$50.6 million.

Over the last few years, the Bureau instituted a program of changes to increase ticket sales, which included: adding a day draw to the PICK 3, PICK 4 games, extending the game to seven days per week, the inclusion of play or bet options, increasing the matrix to the MEGABUCKS game which included adding the bonus ball and joining the POWERBALL game. Strategies to generate revenue growth through an increase in sales of instant tickets have also been developed, including more frequent introduction of new games, various ticket price points and higher prize payouts.

There are several economic factors affecting lottery sales including population, personal income, employment and the price of gasoline. In addition to these economic factors one of the most important variables that affect lottery ticket sales is the size of the jackpot, which is impacted mostly by the number of jackpot rollovers. A large number of players wait until higher jackpots before purchasing a ticket, resulting in relatively flat sales except when large jackpots occur. With this in mind, the Bureau recommended joining and did join the POWERBALL game to be able to participate in a game that allowed players larger jackpots.

The following are some of the strategies to increase lottery revenues that are being actively pursued by the Bureau:

**Increase game placement in the retailer network** – The Bureau is using advanced dispenser designs to create lottery centers in retailer locations which give the lottery the advantage of utilizing prime space within a store location. This increases the number of games and thereby increases ticket sales.

**Increase the focus of research and product development for the on-line product segment** – Prior to the inception of Powerball in 2004, on-line ticket sales for the previous five years declined by 14.7% while instant ticket sales increased by 40.2%. Steady growth in the instant ticket product segment has also occurred across the United States lottery market during the past five years without any corresponding growth in domestic on-line sales. Instant ticket versus on-line ticket revenue streams vary from state to state. Some states derive 50% of their revenues from instant tickets and 50% from on-line (jackpot games) tickets. In Maine, more than 70% of revenues are generated from instant tickets and only 30% from on-line tickets. On-line tickets are generally twice as profitable as instant tickets. Given the recent trend in sales, the need to increase on-line sales is required to maintain efficient net margins and increase total General Fund transfers over the long-term. This functional strategy will be accomplished through product extensions, redesign of existing games, on-line game promotions, and the exploration of new on-line game concepts such as Keno.

### **New Product Development**

Developing successful new products and strategies helps increase sales and profits for all lotteries. The new product development process for instant and on-line games are (1) market research and focus groups, (2) concept development and consumer testing, (3) business analysis, and (4) commercialization. All consumer products have distinct life cycles that include the stages of introduction, growth, maturity, and decline. Since the sales life of a typical instant ticket game is approximately 26-30 weeks, new product development process is extensive and fast-paced. The instant ticket multiple game strategies involves the precise timing of approximately 50-55 new game introductions each year in a variety of play styles, themes, colors, top prizes, and odds to appeal to a broad base of players. The new product development process for on-line games tends to be less rapidly paced because the on-line game life cycle extends for years.

New multi-jurisdictional games like the Tri-State Millionaire Raffle and the multi-state Deal or No Deal instant ticket provide players with the opportunity to qualify for significantly enhanced prizes up to \$ 1 million dollars at some of the best possible odds ever offered.

### **Recruitment of Retailers**

Independent and corporate chain prospects are identified, engaged and recruited for the purpose of optimizing the retailer-to-population ratio, boosting total sales and increasing transfers to the General Fund. Plans are underway to expand the current online terminal base from 1000 to 1200 full-service terminals. The Bureau is also increasing market penetration by using instant vending machines to recruit locations that in the past have not sold lottery products.

### **Retailer Commissions**

The New England and National average for commissions paid to retailers for the sale of instant tickets is 5%. Since its inception the Maine State Lottery has paid retailers an 8% commission on the sales of instant tickets. As price points for tickets have increased, it has created a windfall for retailers. In 2000, The Bureau paid out \$10 million in agent commissions. Last year as a result of higher price points and increased sales the Bureau paid out more than \$16 million in retailer commissions. If Maine paid out 5% on commissions in fiscal year '07 the Bureau could have reduced expenditures and increased its General Fund transfer by \$5 million to \$55.6 million. The Bureau will need to reevaluate existing commissions and align them closer to the New England and National averages while providing appropriate incentives to agents generally.

### **Liquor Operations Revenue**

In 2003, one year prior to the ten year lease of wholesale operations in 2004 the Bureau transferred \$26 million in net proceeds from liquor operations to the State General Fund. As indicated previously, Maine Beverage Company paid the state \$125 million for the lease opportunity. The contract with Maine Beverage Company entitles the state to participate in annual profit sharing at 50% sharing of the baseline overage exceeding 36.8% Gross Profit Margin (GPM). At the beginning of the contract it was estimated that the state could realize an additional \$25 million in profit sharing dollars over the term of the contract. The lease is based on calendar year sales. After the first six months of operations in 2004, the GPM was 34.2%. Since the GPM was below the 36.8% GPM guarantee there was no profit sharing for the state. Since the beginning of 2005, the Bureau has aggressively managed and raised GPM's each quarter. The current GPM based on October 2007 YTD sales is 39.2%. The Bureau's strategic pricing and effective management of the Gross Profit Margin (GPM) to date should allow the Bureau's annual profit share to continue to grow more rapidly than what was previously calculated at the signing of the lease and based on the current GPM and expected sales the state should now realize \$65 - \$75 million over the term of the lease.

## F. Regulatory Agenda 2007 - 2008

### **AGENCY UMBRELLA-UNIT NUMBER: 18-553**

AGENCY NAME: Bureau of Alcoholic Beverages and Lottery Operations  
CONTACT PERSON: Dan A. Gwadosky, 8 State House Station, Augusta, ME 04333  
207-287-6756, Dan.Gwadosky@Maine.gov

EMERGENCY RULES ADOPTED SINCE LAST REGULATORY AGENDA: None  
EXPECTED 2007-2008 RULE-MAKING ACTIVITY:

#### **CHAPTER 2**

TITLE: Rules relating to the administration of state liquor laws.

STATUTORY AUTHORITY: 28-A M.R.S.A. §83

PURPOSE: To establish such rules as necessary for the administration of the state liquor laws under the jurisdiction of the Bureau of Alcoholic Beverages and Lottery Operations.

SCHEDULE FOR ADOPTION: Prior to October 2008.

LIST OF AFFECTED PARTIES: Agency liquor stores and licensees; wholesaler distributor of spirits and fortified spirits

CONSENSUS-BASED RULE DEVELOPMENT: None contemplated.

### **AGENCY UMBRELLA-UNIT NUMBER: 18-364**

AGENCY NAME: State Liquor and Lottery Commission  
CONTACT PERSON: Dan A. Gwadosky, 8 State House Station, Augusta, ME 04333.  
207-287-6756, Dan.Gwadosky@Maine.gov

EMERGENCY RULES ADOPTED SINCE LAST REGULATORY AGENDA: None  
EXPECTED 2007-2008 RULE-MAKING ACTIVITY:

#### **CHAPTER 1**

TITLE: Maine State Lottery

STATUTORY AUTHORITY: 8 M.R.S.A. §374

PURPOSE: To establish such rules as necessary for the operation of the Maine State Lottery including types of games offered, subscriptions, price of tickets, number and size of prizes, manner of selecting winning tickets, the method of paying prizes, the sale of tickets and the licensing, performance, fee charges and commission of ticket agents.

SCHEDULE FOR ADOPTION: Prior to October 2008.

LIST OF AFFECTED PARTIES: Licensed Lottery Agents and the Public.

CONSENSUS-BASED RULE DEVELOPMENT: None contemplated.

#### **CHAPTER 2**

TITLE: Powerball

STATUTORY AUTHORITY: 8 MRSA §374

PURPOSE: To establish rules for the operation of a multi-jurisdictional lottery including any marketing and promotion of lottery games with other jurisdictions as authorized by P.L. 2003 Chapter 673 Part MM.

SCHEDULE FOR ADOPTION: Prior to October 2008.

LIST OF AFFECTED PARTIES: Licensed Lottery Agents and the Public.

CONSENSUS-BASED RULE DEVELOPMENT: None contemplated.

## **G. Agency Coordination**

### **Lottery Operations**

The Bureau currently works with the Department of Health and Human Services and the Department of Labor to ensure that any lottery player's winnings are setoff or deducted if they have outstanding child support or overpayment of unemployment compensation benefits owed back to the state. The Bureau is working on legislation with Maine Revenue Services to provide a similar setoff for unpaid income taxes.

The Bureau coordinates with the Maine Outdoor Heritage Fund Board for the production and distribution of the Maine Outdoor Heritage instant ticket.

In December of 2005, the Maine State Lottery joined the Amber Alert System. The Amber Alert plan is a voluntary program between the Department of Public Safety, law enforcement agencies, local broadcasters and other groups to issue an emergency alert to the public when a child 15 years of age or younger has been abducted and is believed to be in danger of serious harm or death. Under the Amber Alert plan, area radio and television stations interrupt programming to broadcast information about the missing child. As part of the Amber Alert program, special messages about abducted children are now immediately available on Lottery electronic message boards at more than 1,000 retail locations throughout the state. The information will coincide with Amber Alert messages sent to media outlets through the Emergency Alert System (EAS).

Studies show approximately 73% of missing children will not be found alive if not successfully located within 3 hours. Because time is the greatest adversary, we must do all we can to ensure that our abducted children are found as quickly as possible. It is our hope that the Lottery's retailer network will be able to assist law enforcement in promptly spreading the message to the public about the missing child and aid in recovering the child as quickly as possible. These Lottery terminals are just one more way the Bureau can empower more citizens to bring abducted children back home safely. We're pleased to join hands with this exceptional effort and hope that we can be a small part of a successful outcome.

Finally the Bureau relies upon other agencies for several closely coordinated support functions. Internally we rely on the Department of Administrative and Financial Services Service Center for the administration of most personnel functions, budget forecasting and accounting. This working relationship further promotes having DAFS staff participation on special projects. The Office of Information Technology assists BABLO with all IT system services.

### **Liquor Operations**

The bureau works with the Office of The Attorney General and the Office of Substance Abuse on issues of underage drinking and substance abuse. The functions of liquor enforcement and licensing are performed within the Department of Public Safety; however the bureau has daily interaction with Public Safety on issues of advertising, brokers, agents and regulation.

## **H. Constituencies Served**

Both the liquor and the lottery operations have a broad array of constituent groups. These include private retailers licensed as agents, retailer customers, product vendors and other agencies.

The Bureau works closely with several organizations. Each organization and their roles are described below:

1. National Alcohol Beverage Control Association (NABCA). This is the organization of the 19 Control States. NABCA provides industry resources to its membership and facilitates communication among the 19 states and the distilled spirits industry.



2. North American Associations of State & Provincial Lotteries (NASPL). This is the organization of 49 lottery jurisdictions in the US, Canada, Mexico, Puerto Rico and the Virgin Islands. It also provides industry resources to the member states.
3. Tri-State Lottery Compact. This compact which includes Maine, New Hampshire and Vermont was created to implement the operation of Tri-state Lotto for the purpose of raising additional revenue for each of the party states. Tri-state Lotto is not intended to replace any existing lottery games in the party states but, rather, to be run in addition to those games. Tri-state Lotto tickets are sold in each of the party states and processed in a central area to be determined by the commission.
4. The Multi-State Lottery Association (MUSL) is a non-profit, government-benefit association owned and operated by its 31 member lotteries. Each MUSL member offers one or more of the games administered by MUSL. All profits are retained by the individual lotteries and are used to fund projects approved by the legislature authorizing each lottery.
5. The Maine Retail Grocers Association (MRGA) is an organization of private retailers in the grocery business. Because, many of the BABLO's agents are closely allied to the MRGA, the bureau is often engaged in matters of legislation and advertising issues in general.
6. The Office of Substance Abuse (OSA). The Bureau has worked with OSA on efforts to expand substance abuse knowledge and education.

## **I. Alternative Delivery Systems**

The Bureau's dual responsibilities for Liquor and Lottery are somewhat unique in the nation. The Bureau has aggressively pursued innovative alternative delivery systems.

With respect to Liquor operations, the state has closed state run liquor stores and replaced them with agency stores across the state. In 2004, the state leased out the wholesale distribution of distilled spirits to a private vendor for a period of ten years. The Bureau provides oversight of that contract and retained price setting functions in order to meet the financial requirements of the lease.

Lottery operations are consistently analyzed. The Bureau contracts out for the production of instant tickets and its on-line Lottery game system with a private vendor. The Bureau also contracts out for advertising and marketing functions. The contracting of these functions allow the bureau to focus on key growth strategies for licensing, ticket development, retail agent support and promotions

## **J. Emerging Issues**

### **Competition**

Competition for gaming dollars exists in Maine, as it does in many states. Various forms of competition existed prior to or have come into existence since the initial authorization for the Bureau to operate lottery games. Other gaming venues, both in-state and out-of-state, which vie for players from the Maine market, include pari-mutuel gaming, cruise ship gaming, Indian tribal gaming and casino gaming. Internet gaming is another recent competitive factor and is the subject of court cases examining the legalities of the use of the internet to provide gaming opportunities. Although the Bureau does not currently consider all of these other gaming opportunities to be a serious competitive threat, and has successfully competed with them, it can give no assurance that future competition will not adversely affect lottery sales and financial performances.

In November 2003, Maine's voters approved a referendum that permitted the authorization of 1500 video lottery terminals at a Racino located at Bangor Historic Raceway. The Racino opened its doors in November of 2005. Initially instant ticket sales were strongly impacted. While area instant tickets lottery sales have rebounded somewhat, they are still down approximately 4.6% in Penobscot County. The state Revenue Forecasting Commission RFC has acknowledged this by lowering the Lottery's annual General Fund transfer by \$500,000 for fiscal years '08 and '09 respectively. RFC's projected annual General Fund transfer for each of those years is now \$49.8 million.

It is important to note that while the Maine State Lottery and Racino have both been adopted by citizens referendum their net profit payback to the state are very different. Last year the Maine Lottery had total gross sales of \$230 million and after expenses transferred \$50.6 million to the state's General Fund. In its first full year of operation the Racino's gross sales were \$564 million and transferred only \$5.6 million or a little less than 1% to the state General Fund. If additional Racino/Casino types of gaming with similar payouts are subsequently approved, they will likely further negatively impact the Lottery's annual State General Fund transfer. It is in the state's financial interest to carefully monitor any new expansion of gaming in Maine.

# MAINE STATE LOTTERY

FISCAL YEAR	\$0.50	\$1.00	HERITAGE	\$2.00	\$3.00	\$5.00	\$10.00	\$20.00	PICK 3	PICK 4	MEGABUCKS	LOTTO AMERICA	CASH 5	5 CARD CASH	WINCASH	CASH LOTTO	HEADS/TAILS	POWERBALL	ADD-A-PLAY	TRIPLE PLAY	PAYCHECK	TOTAL SALES	AGENT COMM.	PRIZES	TO GEN. FUND	TO HERITAGE	
1974	\$154,617																					\$154,617	\$7,731	\$73,662		-\$98,696	
1975	\$1,715,470	\$3,482,924																					\$5,198,394	\$322,948	\$2,357,898	\$1,197,150	
1976	\$2,783,984	\$5,497,195																					\$8,281,179	\$608,232	\$3,728,823	\$2,609,623	
1977	\$1,699,847	\$4,707,027																					\$6,406,874	\$685,443	\$2,883,397	\$1,491,113	
1978	\$2,185,793	\$4,630,231																					\$6,816,024	\$695,514	\$3,073,385	\$1,592,706	
1979	\$1,539,809	\$5,025,365																					\$6,565,174	\$723,629	\$2,955,598	\$1,379,411	
1980	\$1,343,521	\$4,501,072							\$120,607														\$5,965,200	\$594,181	\$2,796,843	\$896,112	
1981	\$285,823	\$4,199,379							\$1,884,606														\$6,369,908	\$710,815	\$3,041,138	\$1,093,110	
1982		\$6,878,631							\$2,779,463														\$9,658,094	\$988,287	\$4,742,301	\$2,384,850	
1983		\$8,981,135							\$4,092,861														\$13,073,996	\$1,380,996	\$6,423,677	\$3,693,744	
1984		\$10,307,674							\$5,650,514														\$15,958,188	\$1,751,049	\$7,796,570	\$4,515,771	
1985		\$9,927,712							\$6,018,263														\$15,945,975	\$1,780,269	\$7,911,162	\$4,422,746	
1986		\$10,243,484							\$4,685,394	\$2,266,690	\$21,556,151												\$38,751,719	\$2,564,461	\$20,069,610	\$11,845,910	
1987		\$17,983,762							\$4,752,376	\$2,711,418	\$32,635,940												\$58,083,496	\$3,757,759	\$30,325,986	\$18,205,948	
1988		\$35,830,398							\$5,316,387	\$3,379,265	\$37,936,547												\$82,462,597	\$5,512,003	\$41,320,537	\$27,266,282	
1989		\$48,432,748							\$5,172,186	\$3,625,427	\$39,088,364												\$96,318,725	\$6,672,266	\$49,738,113	\$30,407,319	
1990		\$48,277,899							\$5,302,354	\$3,824,446	\$41,090,583												\$98,495,282	\$6,295,066	\$50,251,602	\$30,543,755	
1991		\$40,969,885							\$5,148,108	\$3,407,159	\$36,923,739	\$9,876,577											\$96,325,468	\$6,281,548	\$50,598,986	\$29,363,064	
1992		\$51,495,296							\$4,819,273	\$3,378,026	\$45,143,326	\$6,767,572	\$2,451,726										\$114,055,219	\$7,207,222	\$59,891,578	\$35,434,002	
1993		\$62,274,036							\$4,863,996	\$3,344,579	\$37,722,432		\$9,869,067										\$118,074,110	\$7,741,131	\$63,977,348	\$36,513,230	
1994		\$72,085,751		\$12,908,400					\$4,747,798	\$3,238,966	\$44,732,123		\$7,499,425										\$145,212,463	\$9,790,917	\$79,886,692	\$44,616,761	
1995		\$68,789,767		\$28,231,914					\$4,686,475	\$3,224,916	\$42,245,224		\$5,996,071	\$29,960									\$153,204,327	\$10,492,292	\$88,636,841	\$41,185,167	
1996		\$55,452,914	\$5,504,375	\$37,386,882					\$4,561,407	\$3,334,546	\$35,115,045		\$7,334,542										\$148,689,703	\$10,412,757	\$86,719,924	\$37,757,631	\$1,617,105
1997		\$53,368,356	\$4,214,863	\$37,773,278	\$9,060,820				\$4,635,995	\$3,390,520	\$28,833,704		\$4,977,466										\$146,255,002	\$10,431,264	\$84,827,348	\$40,887,058	\$1,068,469
1998		\$57,105,706	\$4,219,798	\$31,348,312	\$9,022,333	\$3,770,215			\$4,477,042	\$3,121,071	\$31,658,679		\$803,814	\$3,363,128									\$148,890,098	\$10,578,232	\$87,530,222	\$40,742,057	\$1,104,635
1999		\$53,174,733	\$7,057,795	\$29,341,910	\$10,238,619	\$6,684,225			\$5,045,791	\$3,601,643	\$24,689,194			\$4,703,749									\$144,537,659	\$10,387,645	\$85,054,156	\$39,620,894	\$1,749,542
2000		\$51,820,649	\$4,779,464	\$28,539,214	\$13,010,385	\$9,236,170			\$5,006,255	\$3,803,267	\$27,137,544			\$4,580,663									\$147,913,611	\$10,044,178	\$87,080,532	\$38,138,174	\$1,427,972
2001		\$39,347,979	\$5,955,682	\$36,426,404	\$11,397,420	\$12,888,600			\$5,205,729	\$4,032,467	\$27,543,198			\$3,793,226									\$146,590,705	\$10,470,697	\$86,544,277	\$35,450,105	\$1,389,111
2002		\$41,152,927	\$5,079,879	\$34,353,612	\$14,452,422	\$22,159,590			\$5,588,744	\$4,292,768	\$25,814,681			\$3,296,791	\$1,717,341								\$157,908,755	\$11,400,074	\$94,198,583	\$39,317,891	\$1,171,888
2003		\$33,629,277	\$2,943,273	\$31,808,208	\$16,721,016	\$31,093,995	\$8,733,650		\$5,953,963	\$4,639,201	\$25,295,739			\$3,814,767	\$3,814,767								\$164,633,109	\$12,012,369	\$99,875,732	\$38,442,112	\$811,296
2004		\$32,718,707	\$3,228,538	\$32,224,674	\$14,809,851	\$28,102,965	\$39,460,380		\$6,201,904	\$4,765,209	\$20,921,590				\$1,232,652	\$2,207,860							\$185,874,330	\$13,872,209	\$116,826,954	\$41,752,637	\$774,917
2005		\$27,273,954	\$3,130,645	\$37,590,916	\$14,757,936	\$26,540,480	\$42,582,910		\$5,842,715	\$4,433,264	\$18,363,642				\$2,530,210	\$26,252,458							\$209,299,130	\$15,139,417	\$128,902,574	\$49,335,474	\$800,309
2006		\$27,288,808	\$3,472,515	\$35,508,024	\$15,965,514	\$29,169,460	\$24,114,700		\$5,935,472	\$4,421,345	\$18,188,881					\$32,294,405							\$229,704,024	\$16,591,352	\$144,188,890	\$50,879,647	\$908,065
2007		\$25,309,032	\$2,839,097	\$35,211,512	\$19,567,764	\$30,097,675	\$25,258,180	\$31,189,920	\$5,361,967	\$4,286,692	\$17,388,862												\$230,023,875	\$16,733,090	\$145,479,232	\$50,624,741	\$810,598
TOTALS	\$11,708,964	\$1,022,164,413	\$52,425,924	\$448,653,260	\$149,004,080	\$199,743,375	\$145,934,130	\$55,304,620	\$13,857,685	\$80,522,885	\$680,025,188	\$16,644,149	\$25,816,281	\$13,145,782	\$19,737,557	\$6,764,760	\$4,738,068	\$86,530,257	\$2,115,524	\$4,771,765	\$2,088,364	\$3,161,697,030	\$224,642,043	\$1,829,710,171	\$833,507,499	\$13,633,907	

# Maine State Lottery History Highlights

## June 1974

- Ticket sales begin for a 50-cent weekly draw ticket called Play Me.
- The first draw is held on June 27, 1974.
- The first Instant Ticket, the Great Outdoors, is sold.
- The weekly game, Play Me, becomes Downeast Sweepstakes.

## January 1980

- The weekly draw is discontinued.

## June 1980

- Pick 3 Daily Numbers game debuts.

## April 1985

- First multi-state lottery, Tri-State Lotto Compact, is approved among Maine, New Hampshire and Vermont.

## July 1985

- Pick 4 Daily Numbers game is added.

## September 1985

- Tri-State Megabucks starts Saturday draw with a pick 6-of-30 matrix.
- Richard Campbell of South Portland, ME, becomes the first Tri-State Megabucks winner, winning \$935,919 on September 14, 1985.

## January 1986

- Tri-State Megabucks draw is changed from a pick 6-of-30 to a pick 6-of-36 matrix.

## January 1988

- Tri-State Megabucks draw is changed from a pick 6-of-36 to a pick 6-of-40 matrix.

## May 1990

- Wednesday Tri-State Megabucks drawing is added.

## July 1990

- Lotto America starts Wednesday and Saturday draws with a pick 6-of-54 matrix.

## April 1992

- Maine drops out of Lotto America due to low sales.
- Tri-State Cash 5 starts Tuesday draw with a pick 5-of-35 matrix.

## July 1992

- Maine's legislature decides to merge the state's Liquor and Lottery operations. David Campbell serves as Director.

## January 1994

- First \$2 Instant Bingo ticket goes on sale.

## June 1995

- Tri-State Cash 5 changes to Tri-State 5 Card Cash and adds a Friday draw.

## January 1996

- Outdoor Heritage Instant Ticket is released. Proceeds are dedicated to help protect Maine's environment.

## June 1996

- Tri-State Megabucks adds a cash option.

## November 1996

- First \$3 Instant Ticket Christmas Bonus is released.

## March 1997

- Tri-State Megabucks changes matrix from a pick 6-of-40 to a pick 6-of-42 and adds a Bonus Number.

## September 1997

- Tri-State 5 Card Cash changes matrix from a pick 5-of-35 to a pick 6-of-36 and changes name to Tri-State WinCash.

## December 1997

- First \$5 Instant Ticket Celebrate '98 is released.

## June 1998

- Pick 3/Pick 4 goes to seven draws a week.

## September 1998

- Pick 3/Pick 4 adds Front Pair/Back Pair play option.

## February 2002

- The Tri-State cash game WinCash ends. The new Tri-State cash game Cash Lotto begins.

## April 2003

- First \$10 Instant Ticket \$250,000 Cash Spectacular is released.

## June 2003

- Pick 3/Pick 4 Daily Numbers games begin two draws a day.

## November 2003

- Tri-State Cash Lotto changes to Tri-State Heads Or Tails. The cash game is now drawn 7 days a week.

## July 2004

- Sales begin for the Multi-State High Jackpot game Powerball.

## June 2005

- Tri-State Heads Or Tails game ends. The new Tri-State game Triple Play begins.

## September 2005

- First \$20 Instant Ticket \$2,500,000 Extravaganza is released.

## October 2005

- First \$1,000,000 Instant Winner drawing is held.

## May 2006

- Tri-State Add-A-Play begins. The first on-line game with an instant win feature.

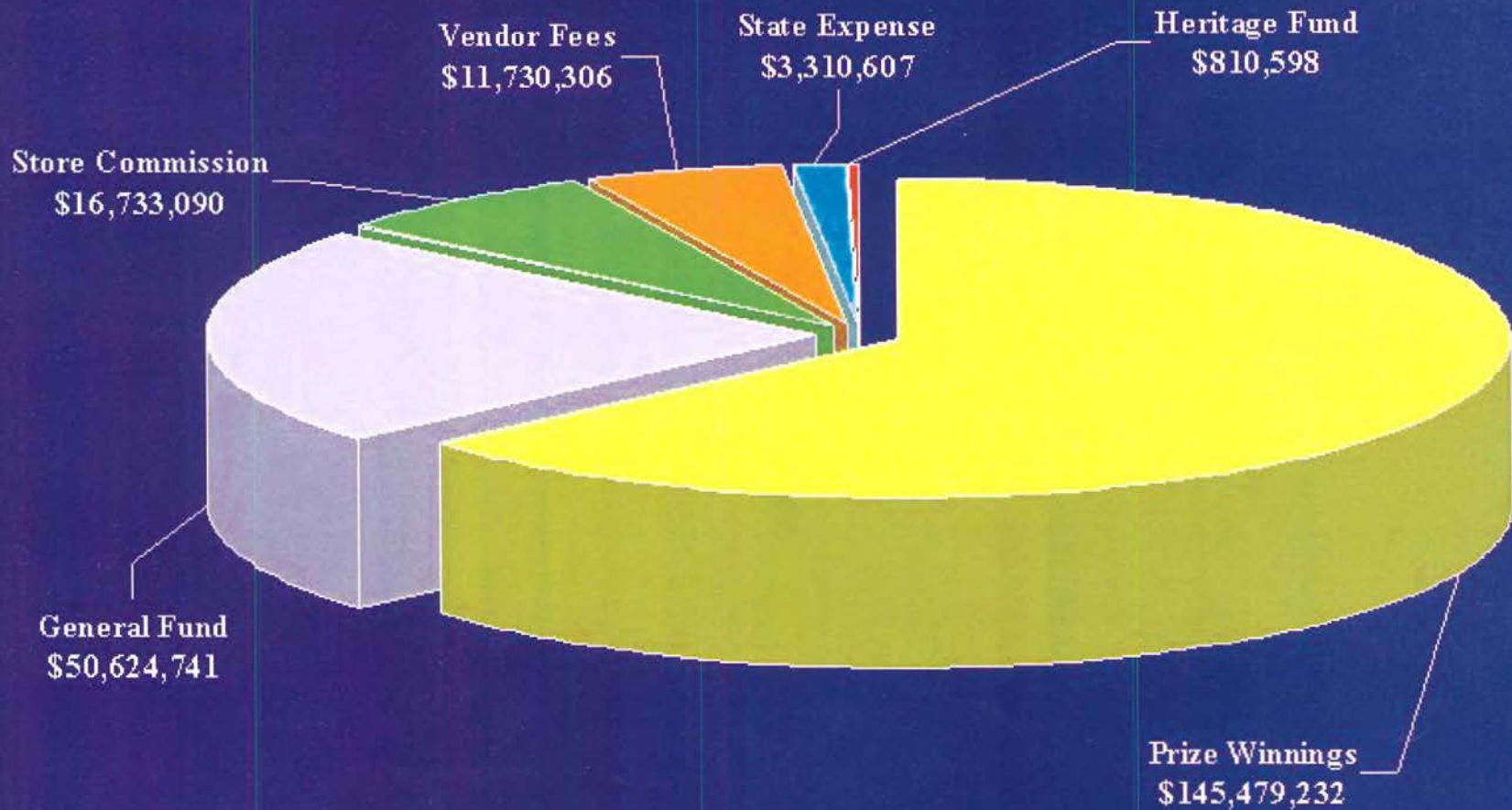
## January 2007

- Tri-State Triple Play ends and is replaced by Tri-State Paycheck.

## November 2007

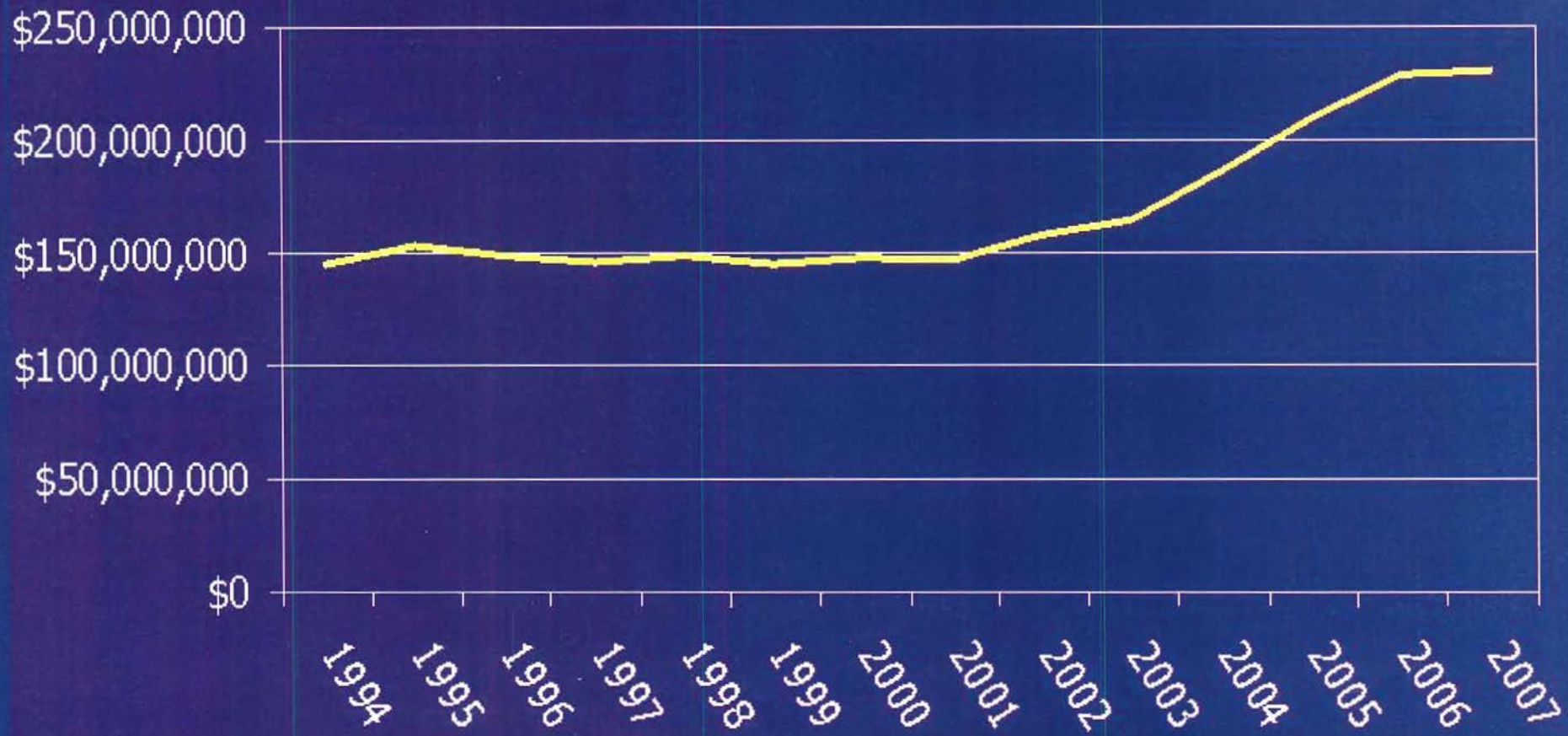
- First Tri-State \$20 New Year Millionaire Raffle ticket goes on sale.

# 2007 Distribution of Sales Revenues





# Ticket Sales 1994-2007





# 2006 Top Selling Agency Stores

Ranking	Store Name	Location	Sales Amount
1	BOW STREET MARKET	FREEPORT	\$ 8,804,865.51
2	R.S.V.P.	PORTLAND	\$ 5,351,803.63
3	HANNAFORD 351	PORTLAND	\$ 1,587,263.78
4	DIPIETRO'S MARKET	SOUTH PORTLAND	\$ 1,464,835.88
5	BAYSIDE LIQUORS	BAR HARBOR	\$ 1,440,877.23
6	JOKA'S DISCOUNT BEVERAGE, INC.	WATERVILLE	\$ 1,330,548.16
7	BOB & MIKE'S MINI MART	SACO	\$ 1,317,696.18
8	HANNAFORD 239	AUGUSTA	\$ 1,174,887.02
9	LANDRYS QUICK STOP INC.	LEWISTON	\$ 1,137,751.05
10	HANNAFORD #230	ROCKLAND	\$ 1,058,629.23
11	HANNAFORD 123	ELLSWORTH	\$ 1,038,546.39
12	SHOP N SAVE #173	BREWER	\$ 998,933.49
13	LIL' GENERAL STORE	SANFORD	\$ 985,308.02
14	HANNAFORD 188	YARMOUTH	\$ 939,220.76
15	HANNAFORD 345	NORTH WINDHAM	\$ 928,758.18
16	ROOPERS	LEWISTON	\$ 906,216.96
17	HANNAFORD 109	BANGOR	\$ 899,432.93
18	HANNAFORD 231	BRUNSWICK	\$ 874,944.90
19	HANNAFORD 238	WATERVILLE	\$ 849,733.16
20	HANNAFORD 389	WELLS	\$ 830,559.38



# 2006 Top Selling Distilled Spirits

Ranking	Description	Size	Cases Sold	Total Sales
1	Allens Coffee	1750	48601.49	\$5,226,237.94
2	Orloff Vodka	1750	34475.25	\$2,256,744.41
3	Allens Coffee	1000	21734.38	\$3,081,532.26
4	Bacardi Light	1750	18311.7	\$2,271,249.74
5	Captain Morgan Spiced	1750	17956.26	\$2,396,029.93
6	Allens Coffee	750	16978.16	\$2,029,676.05
7	Smirnoff	1750	12084.59	\$1,472,313.93
8	Allens Coffee	375	8639.02	\$1,130,667.90
9	Five O'clock Vodka	1750	7902.88	\$539,131.29
10	Canadian Ltd	1750	7686.01	\$680,919.66
11	Black Velvet	1750	7514.01	\$705,375.61
12	Canadian Mist	1750	7301.69	\$686,918.42
13	Absolut Vodka	1750	6895.18	\$1,235,844.05
14	Jim Beam	1750	6675.86	\$895,769.17
15	Orloff Vodka	750	6595.11	\$503,336.76
16	Popov	1750	5610.17	\$474,235.19
17	Lord Calvert	1750	5601.84	\$531,681.43
18	Bacardi Light	750	5470.61	\$766,467.02
19	Fleischmanns Vodka	1750	5324.12	\$397,503.01
20	Five O'clock Vodka	1000	5155.45	\$421,919.30