

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, APRIL 16, 2009

Chairman D'Anton called the Commission meeting into session at 11:00 AM in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

COMMISSION MEMBERS PRESENT

Robert D'Anton, Chairman
Trina Glass, Commissioner (by phone)
Munr Kazmir, Commissioner
James McGuire, Commissioner (by phone)
Robert Smartt, Treasurer Designee

William Jourdain, Acting Executive Director
Marc Krefetz, Dep. Attorney General
Joseph Neal, Governor's Auth. Unit

STAFF

Regina Arcuri
Marilyn Blazovsky
Lou Cleary
Nancy Coccia
Denise Coleman
Yoke DiGiorgio
Robert Kersey
Karen Kokoll
Foster Krupa
Jean Lin
Dolores Matos
Mary Ann Rivell
Margaret Square
Nick Wiener

VISITORS

Russ Knapp, GTECH
Kathy Steepy, OMB

After the Pledge of Allegiance, Chairman D'Anton announced that the Lottery was in compliance with the provisions of the Open Public Meetings Act, and that adequate notice of the meeting had been provided in the manner prescribed by law.

Chairman D'Anton requested a motion to approve the minutes of the March 19, 2009 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Treasurer Designee Smartt. Chairman D'Anton asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Acting Executive Director Jourdain stated that the sales for the month of March totaled \$225.4 million, which is an increase of 3.1% compared to last year's total monthly sales. He stated that there was an increase of 18.9% in our Lotto games compared to last year. He stated that we had an increase of 1.2% over our budgeted sales target for the month.

Acting Executive Director Jourdain stated that overall the total sales for our budgeted target for FY'09 is down 0.4%.

Acting Executive Director Jourdain stated that we are slightly under the budgeted target for the State contribution for FY'09 by 1.2%.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of March totaled \$408 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$23.5 million.

Acting Executive Director Jourdain stated that the current balance in the annuity investment accounts totaled \$581 million.

Acting Executive Director Jourdain stated that Marketing & Advertising supported the PICK 3 "Green Ball Double Draw" promotion which took place during the month of March. He stated that there were several opt-in drawings conducted during the month of March.

Acting Executive Director Jourdain stated we supported the Mega Millions final jackpot initiative during the beginning of the month which was on a roll that ran through February and concluded with the winning ticket purchased in Toms River that won the Mega Millions jackpot in the beginning of March.

Acting Executive Director Jourdain stated that the total 200 Instant Ticket Vending Machine sales are ahead by 47% of the time prior to the installation of the new machines.

Acting Executive Director Jourdain stated that Cost Cutters/Drug Fair filed for bankruptcy resulting in 10 terminations. He stated that we were pro-active and ensured that all collections were made from those outstanding accounts. He stated that there are no outstanding billing issues.

Acting Executive Director Jourdain stated that there are 38 new applications being processed and 25 new installs scheduled between April 20th and April 25th.

Acting Executive Director Jourdain stated that the Retailer/Customer Call Center handled 2,406 incoming calls during the month of March.

Acting Executive Director Jourdain stated that there were 140 security investigations conducted by the Security Unit and there were six random field inspections conducted at retailer locations.

Acting Executive Director Jourdain stated that there are 6,172 retailer licenses issued as of March 31, 2009.

Acting Executive Director Jourdain stated that the Public Information Office coordinated the press conference at the location where the Mega Millions winning ticket was sold. He thanked Chairman D'Anton for participating in that effort.

Acting Executive Director Jourdain stated that the Public Information Office coordinated the annual blood drive with the Department of Treasury for Lottery employees.

Acting Executive Director Jourdain stated that bill comments were prepared for bill A-3830 which would tax winnings in excess of \$10,000 for the Lottery's multi-state live-drawing games. He stated that we will continue to monitor that legislation and provide bill comments when needed.

Acting Executive Director Jourdain stated that press conferences were held for the National Problem Gaming Awareness Week.

Acting Executive Director Jourdain stated that all drawings were held in accordance to established procedures.

Acting Executive Director Jourdain stated that the IMS staff has identified the optimum means to display the New Jersey Lottery commercials on our website.

Acting Executive Director Jourdain stated that the Lottery VIP club has 153,118 active members.

Acting Executive Director Jourdain stated that the Operations Unit had 28 social security number matches between the files from the Departments of Human Services and Community Affairs and the Higher Education Student Assistance Authority and Lottery winners.

Acting Executive Director Jourdain stated that the Validation staff received and sorted 3,787 claims during the month of March.

Acting Executive Director Jourdain stated that all on-line game pools were closed according to procedures with no abnormalities.

Acting Executive Director Jourdain stated that the Instant Ticket Inventory Control Section updated the status on 325 pack returns from the 21 instant games that ended.

Acting Executive Director Jourdain stated the final rules of the Lottery Commission were posted on the Lottery and Retailer websites. He stated that these rules will be distributed to all Lottery retailers in the network.

Acting Executive Director Jourdain stated that this concludes the Director's Report.

Chairman D'Anton asked about the Insurance companies that we have for the annuities and asked if they are insured.

Acting Executive Director Jourdain stated that we have term contracts and we are looking into the guarantee of payment on those term contracts. He stated that on some of the contracts we are looking at a different alternative. He stated that we will find out if they are insured through the Division of Investments. He stated that many of these contracts will be expiring within the next two years.

Chairman D'Anton asked if the retailer numbers were up or down this month and stated that he had requested to have this information in the Director's Report every month.

Acting Executive Director Jourdain apologized and stated that the numbers were roughly about the same and that he will include this information in the report every month.

Chairman D'Anton asked if there were any other comments on the Director's Report and there being none asked for a motion to approve the Director's Report. The motion was made by Commissioner Kazmir and seconded by Treasurer Designee Smartt. The motion carried.

NEW BUSINESS

Chairman D'Anton asked for a motion to approve the instant ticket game rules for "Bucks Deluxe," "Bundle of Green," "Tripling Green Bingo," "Pink Panther" and "Gold Strike." Commissioner Kazmir made the motion, which was seconded by Treasurer Designee Smartt. Chairman D'Anton asked if there were any comments and there being none the motion carried.

Russ Knapp from GTECH gave a demonstration of the new vendor terminals and an overview of the process.

Commissioner Kazmir asked if GTECH would be using people from the State of New Jersey.

Russ Knapp stated that this is specialized work and he will check to see if subcontractors from the State of New Jersey are being used.

PUBLIC COMMENT

There was no public comment at this meeting.

EXECUTIVE SESSION

There was no Executive Session.

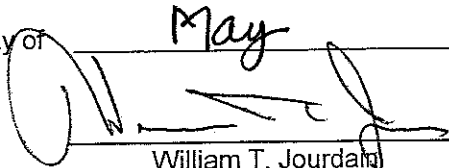
ADJOURNMENT

Chairman D'Anton asked if there was any other business to be discussed in the open public meeting and there being none, asked for a motion to adjourn. Commissioner McGuire made the motion, which was seconded by Commissioner Kazmir. The motion carried.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on April 16, 2009.

IN WITNESS WHEREOF, I hereby set my hand on

the ~~14th~~ 26th day of May, 2009.


William T. Jourdain
Acting Executive Director