

**NEW JERSEY STATE LOTTERY COMMISSION**

**PUBLIC MEETING, JUNE 14, 2007**

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

**COMMISSION MEMBERS PRESENT**

Robert D'Anton, Chairman  
Daniel Becht, Vice Chairman  
Munr Kazmir, Commissioner  
James McGuire, Commissioner  
Robert Slater, Commissioner  
Robert Smartt, Treasurer Designee

William Jourdain, Acting Executive Director  
Richard Evert, Deputy Attorney General

**STAFF**

Regina Arcuri  
Joe Bacso  
Marilyn Blazovsky  
Denise Coleman  
Dominic DeMarco  
Yoke DiGiorgio  
Karen Kokoll  
Foster Krupa  
Dolores Matos  
Steve Palmieri  
Mary Ann Rivell  
Ray Ryan  
Margaret Square  
Nick Wiener

**VISITORS**

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 May 17, 2007 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Vice Chairman Becht. 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 May totaled \$205.08 million, which is an increase of 3.8% over last year. He stated that the sales were led by the 5.5% increase in the Instant games and a fairly decent Mega Millions jackpot.

Acting Executive Director Jourdain stated that we are only 2.8% behind sales compared to last year.

Acting Executive Director Jourdain stated that we are 1% behind our budget for FY'07.

Acting Executive Director Jourdain stated that the contribution to the state is 3.4% ahead of last year, and 1.7% behind the budget for this fiscal year.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of May totaled \$178 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$25.98 million.

Acting Executive Director Jourdain stated that the current balance in the annuity investment accounts totals \$693 million.

Acting Executive Director Jourdain stated that an \$8 Instant Match promotion, "Go Crazy for 8's", began on April 30 for a four-week period throughout the month of May. He stated that the Independence Day Raffle kicked off on May 21 with a marketing campaign that included statewide radio and out-of-home advertising.

Acting Executive Director Jourdain stated that during the month of May, we developed a FY2008 Marketing plan, which we will provide a summary for the Commissioners at a later date.

Acting Executive Director Jourdain stated that the Sales division reports that there were four radio van promotions during the month of May.

Acting Executive Director Jourdain stated that the Retailer/Customer Call Center handled 2,115 incoming calls during the month of May from retailers and customers.

Acting Executive Director Jourdain stated that there were 131 security investigations during the month of May and 73 random field inspections were conducted at retailer locations.

Acting Executive Director Jourdain stated that as of May 31 there are 6,173 active licenses.

Acting Executive Director Jourdain stated that there was a raffle conducted at Todd's in Vineland by Public Information in conjunction with the Veterans' Home in Vineland on May 31. He stated that the Public Information Office supported this event. He thanked Dominick DeMarco and Mary Ann Rivell for their help in setting up this event.

Acting Executive Director Jourdain stated that Public Information Office also met with the Director of the Division of Food and Nutrition to discuss our beneficiary relationship and future joint initiatives.

Acting Executive Director Jourdain stated that the Drawing Unit coordinated and conducted three opt-in drawings for the month of May.

Acting Executive Director Jourdain stated that the special events held in May were the Hoboken Arts and Music Festival, the Latino Issues Convention and Expo and the Elizabeth Waterfront Festival.

Acting Executive Director Jourdain stated that the IMS staff continues to assist with the new telephone system in the new Wayne district office.

Acting Executive Director Jourdain stated that the IMS staff continues to work on a refresh of the New Jersey Lottery website. IMS is planning to have a completely redesigned website available to the public sometime in December of 2007.

Acting Executive Director Jourdain stated that the VIP Club has increased its membership with 2,266 new registrants during the month of May and has an enrollment of 120,996 active members.

Acting Executive Director Jourdain stated that the Validation staff processed 2963 claims for a total payment of \$9.9 million.

Acting Executive Director Jourdain stated that the lease for the new North Jersey Lottery District office in Wayne began May 1.

Chairman D'Anton asked if there were any comments.

Commissioner Kazmir asked about the field inspections conducted during the month.

Acting Executive Director Jourdain stated that these are random field inspections to make sure that retailers are following proper procedures. He stated that security investigations are generated from a request or an issue from a customer where we have to go out and investigate an issue.

Commissioner Slater stated that many months ago we discussed the issue about the retailers clearing the homeland security hot list.

Acting Executive Director Jourdain stated that we have had some preliminary discussions with the state agencies that coordinate it.

Deputy Attorney General Evert suggested that we discuss this in Executive Session.

Chairman D'Anton asked about the sales being slow for the raffle game.

Acting Executive Director Jourdain stated that it could be the time of year. He stated that we are seeing throughout the industry that the summertime raffle is not as aggressive as the holiday raffle. He stated that there are over two weeks to the drawing and we believe that the sales will pick up as players wait until it gets closer to the drawing to purchase their tickets.

Chairman D'Anton asked about the advertising money and if we are spending the same as we did for the holiday raffle ticket.

Marketing Manager Foster Krupa stated that we are not spending the same amount. He stated that we budgeted an amount for this game and that we are advertising on radio and in the stores.

Chairman D'Anton asked how much we spent on advertising for the New Year's Eve raffle ticket.

Acting Executive Director Jourdain stated that we spent \$2.4 million and we are spending about half of that amount for advertising on this raffle ticket.

Acting Executive Director Jourdain stated that we looked at this and made a conscience decision, as the expense being cost prohibited and we are only looking at a \$10 million sales pool. He stated that we made the decision to see how we could do this by cutting the advertising budget and to see how the overall performance would be.

Chairman D'Anton stated that we need to sell at least 300,000 tickets to break even.

Acting Executive Director Jourdain stated that we have another radio advertisement ready to go and we will keep the message out there. He stated that we are out there with a Father's Day message as being a great gift for dad. He stated that we will keep a close eye on it and we may have to tweak it for the future.

Commissioner Slater asked about cell phones and connecting to the Lottery website.

Acting Executive Director Jourdain stated that we are looking for a policy decision of the possibility of text messaging through cell phone results.

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. Vice Chairman Becht made the motion, which was seconded by Commissioner McGuire. The motion carried.

## **NEW BUSINESS**

Chairman D'Anton asked for a motion to approve the instant ticket game rules for "\$250,000 Ultimate Blackjack," "Casino Multiplier," "Lucky Numbers" and "Autumn Gold." Vice Chairman Becht made the motion, which was seconded by Commissioner Slater. Chairman D'Anton asked if there were any comments and there being none the motion was carried.

Deputy Attorney General Richard Evert stated that the election of officers will take place and requested a roll call:

Robert D'Anton	Present
Daniel Becht	Present
Munr Kazmir	Present
James McGuire	Present
Robert Slater	Present
Robert Smartt	Present

Deputy Attorney General Evert asked for a nomination for Chairman of the Lottery Commission. Commissioner Becht nominated Robert D'Anton, which was seconded by Commissioner Slater. Deputy Attorney General Evert asked if there was any comment and there being none the motion carried.

Deputy Attorney General Evert asked for a nomination for Vice Chairman of the Lottery Commission. Chairman D'Anton nominated Robert Slater, which was seconded by Commissioner Becht. Deputy Attorney General Evert asked if there were any comments and there being none the motion carried.

Deputy Attorney General Evert stated Robert D'Anton has been elected Chairman and Robert Slater has been elected Vice Chairman.

## **MICELLANEOUS**

Acting Executive Director Jourdain updated the Commissioners on our partnership on the Breeder's Cup Gold ticket which is a tie in with the Breeder's Cup that is going to be held at Monmouth Racetrack in October.

Acting Executive Director Jourdain stated that leading up to the Breeder's Cup there would be a whole week of events that the Commissioners can attend.

Acting Executive Director Jourdain stated that the Breeder's Cup Corporation basically comes in and takes control of the event. The Sponsors are there to help support this event and to get to that point.

Acting Executive Director Jourdain stated that on June 24 there would be a promotional event held at the Monmouth Racetrack and we will be handing out the Breeder's Cup Gold instant tickets to get the crowd involved. He stated that we will be sponsoring a race and the Lottery trailer will also be there.

Acting Executive Director Jourdain stated that all during the summer, the Breeder's Cup Gold ticket will have a Lottery Bonus Zone second chance drawing where there will be tickets to the Breeder's Cup race to be won.

Commissioner Slater suggested that anytime we use the word Lottery we should make reference to the Lottery website.

Commissioner Slater asked that we look into possibly advertising with New York regarding Mega Millions.

Deputy Attorney General Evert suggested that we go into Executive Session at the next meeting to discuss the security check for retailers.

Chairman D'Anton asked if there was any other business to be discussed, and there being none, asked for a motion to adjourn. Commissioner Becht made the motion, which was seconded by Commissioner Kazmir. The motion was 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 June 14, 2007.

IN WITNESS WHEREOF, I hereby set my hand on

the \_\_\_\_\_ day of \_\_\_\_\_, 2007.

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William T. Jourdain  
Acting Executive Director