

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, MARCH 19, 2009

Acting Chairman McGuire 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 (by phone)
Robert Slater, Vice Chairman (by phone)
Munr Kazmir, Commissioner
James McGuire, Commissioner
Robert Smartt, Treasurer Designee

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

STAFF

Regina Arcuri
Joe Bacso
Marilyn Blazovsky
Lou Cleary
Nancy Coccia
Denise Coleman
Dominick DeMarco
Yoke DiGiorgio
Chuck Hovemeyer
Robert Kersey
Karen Kokoll
Foster Krupa
Trent Lyons
Dolores Matos
Steve Palmieri
Mary Ann Rivell
Ray Ryan
Margaret Square
Nick Wiener

VISITORS

Joan Mueller – Brushfire

After the Pledge of Allegiance, Acting Chairman McGuire 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.

Acting Chairman McGuire requested a motion to approve the minutes of the February 19, 2009 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Treasurer Designee Smartt. Acting Chairman McGuire 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 February totaled \$210.4 million, which is a decrease of 21.3% compared to last year's total monthly sales. He stated that last year we were in the middle of a \$270 million Mega Millions jackpot. He stated that we did, however, exceed our budgeted target by 3.8%.

Acting Executive Director Jourdain stated that the daily game sales were slightly off by 1.8% from last year but he stated that we actually had an additional day last year because it was leap year.

Acting Executive Director Jourdain stated that overall the total sales for our budgeted target for FY'09 is down 0.6%.

Acting Executive Director Jourdain stated that we are slightly under the budgeted target for the State contribution for FY'09 by 1%.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of February totaled \$168 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$26.6 million.

Acting Executive Director Jourdain stated that the current balance in the annuity investment accounts totaled \$587 million.

Acting Executive Director Jourdain stated that some of the Insurance Companies have had some minor downgrading in their portfolios which are highlighted on the monthly report. He stated that we have reached out to the Director of the Division of Investments for advice on these accounts and we should have some analysis for the Commissioners soon.

Acting Executive Director Jourdain stated that the advertising activities for the month of February concentrated on the Mega Millions jackpot awareness media campaign.

Acting Executive Director Jourdain stated that the Sales unit promoted the "Tons of Tens" Instant Match Pick 3 and Pick 4 promotion during the month of February.

Acting Executive Director Jourdain stated that the retailers have been advised that the "Green Ball Double Draw" promotion was scheduled to start on March 2nd.

Acting Executive Director Jourdain stated that the Sales staff continues to work on finding new retailer locations in order to keep pace with the various terminations.

Acting Executive Director Jourdain stated that the Retailer/Customer Call Center handled 2,780 incoming calls during the month of February.

Acting Executive Director Jourdain stated that there were 112 security investigations conducted by the Security Unit and there were five random field inspections conducted at retailer locations.

Acting Executive Director Jourdain stated that there are 6,164 retailer licenses issued as of February 28, 2009.

Acting Executive Director Jourdain stated that the Public Information Office continues to support and issue daily press releases for Jersey Cash 5, Pick 6 Lotto and Mega Millions jackpot games.

Acting Executive Director Jourdain stated that Public Information Office coordinated meetings between the Council on Compulsive Gambling for New Jersey. He stated that he has met with the Council's Director concerning the overall partnership between our two organizations.

Acting Executive Director Jourdain stated that we updated the Speaker's Bureau power point presentation to include the National Problems Gaming Awareness Week in March.

Acting Executive Director Jourdain stated that all drawings were held in accordance to established procedures, and there were seven (7) opt-in drawings for the month of February.

Acting Executive Director Jourdain stated that there were three special events held during the month of February.

Acting Executive Director Jourdain stated that the Lottery Consumer and Retailer Website continues to be supported by IMS staff and has completed the programming for the Pick 3 Green Ball Double Draw which will take place during the month of March.

Acting Executive Director Jourdain stated that the IMS website unit has now conducted 417 opt-in drawings since its inception in May 2004.

Acting Executive Director Jourdain stated that the Lottery VIP club has 151,858 active members.

Acting Executive Director Jourdain stated that the Operations Unit had 26 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 3,462 claims during the month of February.

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 5,314 pack returns from the 21 instant games that ended.

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

Chairman D'Anton asked how much net Retailers were lost.

Acting Executive Director Jourdain stated that he doesn't believe we experienced any net loss in the retailer base and if anything it was a small amount. He stated that he will get that actual number. He stated that he will make sure that we report the net number in the monthly report.

Acting Chairman McGuire 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

Acting Chairman McGuire asked for a motion to approve the instant ticket game rules for "Red Hot & Blue 7'S," "Blazin' Hot Bucks," "Ruby Red 7'S" and "X-Treme Winnings". Commissioner Kazmir made the motion, which was seconded by Treasurer Designee Smartt. Acting Chairman McGuire asked if there were any comments.

Acting Executive Director Jourdain stated that "X-Treme Winnings" rules have been revised. He stated that the previous games rules had a \$600 prize as a claimable prize but the \$600 prize is not in conformance with the IRS regulation. He stated that we revised the prize value from \$600 to \$500 and that allowed us to add additional prizes in the game.

Acting Chairman McGuire asked if there were any other comments and there being none the motion carried.

PUBLIC COMMENT

There was no public comment at this meeting.

EXECUTIVE SESSION

Deputy Attorney General Krefetz stated that it be resolved that pursuant to N.J.S.A. 10:4-13, the Lottery Commission enter into Executive Session during which the public shall be excluded to discuss personnel matters and sales strategies. He stated that as to any matter discussed in Executive Session, the subject and nature of the discussion will be timely made known to the public if and when the need for confidentiality ends.

Acting Chairman McGuire requested a motion to go into Executive Session. Commissioner Kazmir made the motion which was seconded by Treasurer Designee Smartt. Acting Chairman McGuire asked if there were any comments and there being none the motion carried.

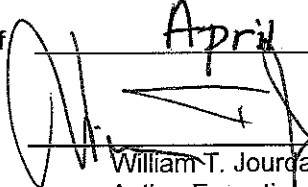
ADJOURNMENT

Acting Chairman McGuire 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 Kazmir made the motion, which was seconded by Treasurer Designee Smartt. 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 March 19, 2009.

IN WITNESS WHEREOF, I hereby set my hand on

the 17 day of April, 2009.



William T. Jourdain
Acting Executive Director