

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, MAY 15, 2008

Acting Chairman Slater 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 Slater, Acting Chairman
Trina L. Glass, Commissioner
James McGuire, Commissioner
Robert Smartt, Treasurer Designee

William Jourdain, Acting Executive Director
Marc Krefetz, Dep. Attorney General

VISITORS

Bryce Rudolph, Winners Edge

STAFF

Regina Arcuri
Marilyn Blazovsky
Lou Cleary
Yoke DiGiorgio
Robert Kersey
Karen Kokoll
Foster Krupa
Dolores Matos
Steve Palmieri
Mary Ann Rivell
Ray Ryan
Margaret Square
Nick Wiener

After the Pledge of Allegiance, Acting Chairman Slater 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 Slater requested a motion to approve the minutes of the April 17, 2008 Commission Meeting. Commissioner McGuire made the motion, which was seconded by Treasurer Designee Smartt. Acting Chairman Slater 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 April totaled \$210.8 million, which is an increase of 6.7% over last year. He stated that the Jersey Cash 5 product led the sales with a 42.3% increase which is the result of the Jersey Cash 5 coupon program.

Acting Executive Director Jourdain stated that the Instant ticket sales are 3.3% ahead of last year.

Acting Executive Director Jourdain stated that we achieved our budget target in excess of 2.4%.

Acting Executive Director Jourdain stated that the total sales for FY'08 are \$2.12 billion which is an 8.6% increase over last fiscal year.

Acting Executive Director Jourdain stated that the State contribution for FY'08 is \$722.63 million, which is 8.6% increase over last fiscal year. He stated that we are running 5.6% ahead of our budgeted target.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of April totaled \$176 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$16.1 million.

Acting Executive Director Jourdain stated that the balance in the annuity investment accounts totaled \$655 million as of the end of April.

Acting Executive Director Jourdain stated that the Jersey Cash 5 coupon "Buy 2 Get 1 Free" campaign and the \$13 Instant Match promotion both took place during the month of April.

Acting Executive Director Jourdain stated that the Sales staff supported the Jersey Cash 5 coupon campaign which was a big hit with our players and retailers.

Acting Executive Director Jourdain stated that the Hudson News recently purchased the two Soft Touch Newsstands at Penn Station in Newark and the change of ownership has been completed.

Acting Executive Director Jourdain stated that the Retailer Customer Call Center handled over 1,900 incoming calls during the month of April.

Acting Executive Director Jourdain stated that there were 120 security investigations conducted by the Security Unit.

Acting Executive Director Jourdain stated that there are 6,168 retailer licenses issued as of April 30, 2008.

Acting Executive Director Jourdain stated that the Public Information Office is in the process of designing new bet slip holders which will provide a more robust "Where the Money Goes" message. He stated that we are also looking to add a player check list to the bet slip holder which will give ideas and information to the players to always check their tickets before leaving the store, sign the back of your winning lottery tickets and basic information that the general public may not be aware of on a day to day basis.

Acting Executive Director Jourdain stated that the Public Information Office continues to support the Responsible Play activities of the Council on Compulsive Gambling and their new Executive Director. He stated that we also assisted the Council with legislative inquiries.

Acting Executive Director Jourdain stated that all drawings were held in accordance to established procedures. He stated that we conducted one Opt-In drawing for the month of April.

Acting Executive Director Jourdain stated that we had one retailer event on April 1, 2008 with the NJ Nets. He stated that we also participated at the Lambertville Shad Festival on April 26 and 27.

Acting Executive Director Jourdain stated that the IMS staff is continuing the conversion of the internal control systems, which is the balancing system that we use to verify our drawing data coming from the vendor system.

Acting Executive Director Jourdain stated that IMS is looking into a new phone system and have prepared an analysis and submitted a request to the Department of Treasury for a replacement of our 20 year old phone system.

Acting Executive Director Jourdain stated that during the month of April the Lottery VIP club increased its membership of over 1400 new registrants bringing the total enrollment of over 136,000 active members.

Acting Executive Director Jourdain stated that the Lottery Website continues to be a popular destination with over 2 million website hits last month.

Acting Executive Director Jourdain stated that the Operations Unit had 25 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 over 3,700 claims during the month of April.

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 Facilities Unit completed the Fixed Asset Inventory report with the assistance from IMS and was submitted to Treasury Division of Administration.

Acting Executive Director Jourdain stated that we are proceeding with our vehicle rotation and designated three of our older higher mileage vehicles for rotation and we are looking into purchasing three hybrid vehicles.

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

Acting Chairman Slater 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 McGuire and seconded by Commissioner Glass. The motion carried.

NEW BUSINESS

Acting Chairman Slater asked for a motion to approve the instant ticket game rules for "\$500 Fury," "Harley Davidson" and "Casino Night." Commissioner McGuire made the motion, which was seconded by Commissioner Glass. Acting Chairman Slater asked if there were any comments and there being none the motion was carried.

MISCELLEANOUS

Acting Executive Director Jourdain stated that at the budget meetings earlier this week, Treasurer Rousseau noted to the Senate Appropriation Committee that he is requesting Lottery to look at a plan to increase their revenue by \$25 million. He stated that we should have some recommendations for the Treasurer in a few weeks.

EXCECUTIVE SESSION

Acting Executive Director Jourdain stated that there is no need for an Executive Session at this time.

ADJOURNMENT

Acting Chairman Slater 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 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 May 15, 2008.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ day of _____, 2008.

William T. Jourdain
Acting Executive Director