

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, NOVEMBER 13, 2007

Vice 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, Vice Chairman
Daniel Becht, Commissioner
Munr Kazmir, Commissioner
Robert Smartt, Treasurer Designee

William Jourdain, Acting Executive Director
Marc Krefetz, Deputy Attorney General
Sharon Price Cates, Governor's Authorities Unit

STAFF

Joe Bacso
Lou Cleary
Denise Coleman
Nancy Coccia
Dominic DeMarco
Yoke DiGiorgio
Karen Kokoll
Foster Krupa
Dolores Matos
Steve Palmieri
Ray Ryan
Margaret Square
Nick Wiener

After the Pledge of Allegiance, Vice 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.

Vice Chairman Slater requested a motion to approve the minutes of the October 18, 2007 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Treasurer Designee Smartt. Vice 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 October totaled \$205.5 million, which is an increase of 8.8% over last year.

Acting Executive Director Jourdain stated that we had a very good performance of the Jersey Cash 5 game and had a record jackpot of \$1.9 million. He stated that there were 7 winning tickets that shared the jackpot.

Acting Executive Director Jourdain stated that the FY'08 sales to date are \$837.3 million and that we are approximately 9.5% ahead of budget.

Acting Executive Director Jourdain stated that our Instant ticket sales are 13.9% over last year.

Acting Executive Director Jourdain stated that the contribution to the state is running about 5% ahead of budget.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of October totaled \$170 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$6.115 million.

Acting Executive Director Jourdain stated that the current balance in the annuity investment accounts totals \$666 million. He stated that a request has gone to the Division of Investments for an update on the three companies rated below "AA."

Vice Chairman Slater asked if this could be accelerated and get an answer immediately because of the credit crunch in the economy.

Acting Executive Director Jourdain stated that he would be seeing the Director of the Division of Investments tomorrow at a meeting and will personally follow-up.

Acting Executive Director Jourdain stated the "Fantastic 5's" Instant Match promotion concluded at the end of October, which resulted in an increase of more than 43% in sales.

Acting Executive Director Jourdain stated that our first \$20 instant game, "\$1,000,000 Explosion," went on sale October 1 and we sold approximately one-third of the game during the first month.

Acting Executive Director Jourdain stated that we have been conducting a four-week test with Quick Chek in two of their locations by working with them to increase their point of sale.

Acting Executive Director Jourdain stated that there were 132 security investigations conducted by the Security Unit. He distributed a list of the investigations by county, which was requested by Commissioner Kazmir at the last Commission meeting.

Acting Executive Director Jourdain stated that there are 6,222 retailer licenses issued as of October 31, 2007.

Acting Executive Director Jourdain stated that the Public Information Office supported a press event last month to spotlight the Lottery's contribution to the School Nutrition Program.

Acting Executive Director Jourdain stated that we have a graphic artist in house who prepares materials and designs that we use to sub-contract with a vendor. He stated that we did a major redesign of our lottery display.

Acting Executive Director Jourdain stated that all the drawings were held without incidence. He stated that they also conducted four Opt-In drawings for the month of October.

Acting Executive Director Jourdain stated that we participated in various events during the month of October. He stated that one of the events that we were involved with was the Breeders Cup at Monmouth Race Park, which was a success.

Vice Chairman Slater stated that there should have been executive representation at the Breeders Cup event. He stated that this is something that should be looked at again at how important it would be to have the Commissioners attend these events.

Acting Executive Director Jourdain apologized stating that he may not have made it clear that the Commissioners could have attended this event in an official capacity.

Vice Chairman Slater suggested that in the future the Commissioners should be properly invited to an event, and if it is in the best interest of the Lottery they would make themselves available.

Acting Executive Director Jourdain stated that IMS continues to support the retailer website.

Acting Executive Director Jourdain stated that there are 126,000 members in the VIP Club.

Acting Executive Director Jourdain stated that the Operations Unit reports that there were nine 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, which totaled \$22,500.00 in arrears.

Acting Executive Director Jourdain stated that the Validation staff received and sorted 3,747 claims during the month of October and made payments of nearly \$8.9 million in prizes and awards.

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

Vice Chairman Slater suggested that Lottery have its name on a Visa card.

Acting Executive Director Jourdain stated that we can look into it but we do not promote making purchases on credit cards.

Vice Chairman Slater asked if it was legal to make Lottery purchases on credit cards.

Acting Executive Director Jourdain stated that we would have to look at the statute of what we can legally do.

Deputy Attorney General Krefetz stated that he would try to have that information available at either the December or January meeting.

Vice Chairman Slater asked if we could also reach out to the other states to see how they deal with the credit card issue.

Deputy Attorney General Krefetz stated that each state is bounded by Federal Law and each state has it's own banking laws.

Vice Chairman Slater asked if we had any idea of what the sales were for the Breeder's Cup.

Acting Executive Director Jourdain stated that he would get that information for the Commissioners.

Vice Chairman Slater asked if there were any other comments to 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, which was seconded by Commissioner Becht. The motion carried.

NEW BUSINESS

Vice Chairman Slater asked for a motion to approve the instant ticket game rules for "Silver Coins," "High Rollers," "Red Hot Slingo," and "Got Luck?." Commissioner Kazmir made the motion, which was seconded by Commissioner Becht. Vice Chairman Slater asked if there were any comments and there being none the motion was carried.

MISCELLANEOUS

Acting Executive Director Jourdain distributed updated brochures from the Higher Education Student Assistance Authority (HESAA). He stated that these packages go out to all the high school students to make them aware of what is available through HESAA and that these are the programs that are supported by Lottery dollars.

Acting Executive Director Jourdain distributed an agenda of the Speaker Bureau events and details of what we attempt to do at the Speakers Bureau. He stated that Mary Ann Rivell attends these events about four or five times a month.

Vice Chairman Slater suggested that we get the Lottery logo printed on this brochure.

Commissioner Becht stated that he first became aware of the Stars Program recently and he has spoken to quite a few people who are not aware that this exists. He stated that we might want to highlight in our commercials what the Lottery does with the New Jersey Stars Program.

Acting Executive Director Jourdain stated that our "Where the Money Goes" message is not strong enough and that this would be a very good opportunity to get out there and talk about the Stars Program.

Commissioner Becht suggested that at the next teachers conference the Lottery booth should be dedicated specifically to the New Jersey Stars Program.

Vice Chairman Slater suggested that a presentation be made to the Commissioners on a direct program of interfacing the Lottery advertising with the Stars Program and HESAA.

Commissioner Becht stated that we might get more people interested in buying lottery tickets if they see that it is going towards education, because he feels that that message is not really put out there as much as it should be.

EXCECUTIVE SESSION

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

ADJOURNMENT

Vice 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 Becht 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 November 13, 2007.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ day of _____, 2007.

William T. Jourdain
Acting Executive Director