

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, NOVEMBER 17, 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
Robert Slater, Vice Chairman
Trina Glass, Commissioner (by phone)
Munr Kazmir, Commissioner
Frank Ragazzo, Commissioner
Robert Smartt, Treasurer Designee

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

STAFF

Regina Arcuri
Lou Cleary
Nancy Coccia
Denise Coleman
Duane Daniels
Dominick DeMarco
Yoke DiGiorgio
Bob Kersey
Karen Kokoll
Foster Krupa
Dolores Matos
Steve Palmieri
Mary Ann Rivell
Margaret Square
Nick Wiener

VISITORS

Darlene Lapola, Deputy Attorney General
John Leonardi, Brushfire
Joan Mueller, Brushfire

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 October 15, 2009 Commission Meeting. Vice Chairman Slater made the motion, which was seconded by Commissioner Ragazzo. 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 October totaled \$220.94 million, which is an increase of 12.2% compared to last year's total monthly sales. He stated that Mega Millions and Pick 6 sales totaled \$42.2 million.

Acting Executive Director Jourdain stated that the Pick 4 Red Ball Double Up game had a 7.1% increase over last year's sales.

Acting Executive Director Jourdain stated that the instant ticket sales had an increase of 2.3%.

Acting Executive Director Jourdain stated that the State contribution for FY 2010 was \$303 million which is 8.7% over our anticipated budget.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of October totaled \$254 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$4.4 million.

Acting Executive Director Jourdain stated that the current balance in the annuity investment accounts totaled \$530 million.

Acting Executive Director Jourdain stated that the number of weekly retailer settlements as of the end of October 2009 was 6,038.

Acting Executive Director Jourdain stated that the Mega Millions jackpot rose starting the third week in September and continued through mid October. It was supported by spot radio and cable advertising.

Acting Executive Director Jourdain stated that the Pick 4 "Red Ball Double Up" promotion which ran from September 28th through October 25th was supported by cable, spot radio, bus posters and additional point of sale advertising.

Acting Executive Director Jourdain stated the 7-Eleven chain group has expressed interest in testing the new Instant to Go machines in 24 of their stores.

Acting Executive Director Jourdain stated that the 2010 license renewals have been distributed to retailers and the sales staff will pick them up when they are completed.

Acting Executive Director Jourdain stated that the sales staff submitted their complete listing of retailers that qualify to receive the new Lottery to Go machines.

Acting Executive Director Jourdain stated that the Retailer/Call Center handled 2,149 incoming calls during the month of October.

Acting Executive Director Jourdain stated that there were 138 security investigations conducted by the Security Unit and there were 82 random field inspections conducted at retailer locations.

Acting Executive Director Jourdain stated that there are 6,196 retailer licenses issued as of October 31, 2009.

Acting Executive Director Jourdain stated that the Public Information Office continues to work with 2010 Census officials about ways that Lottery can assist this initiative.

Acting Executive Director Jourdain stated that the Public Information Office continues the design work on the FY09 Annual Report.

Acting Executive Director Jourdain stated that the Public Information Office participated in a conference call with the Council on Compulsive Gambling officials regarding plans for a possible March 2010 joint media event to coincide with the National Problem Gaming Awareness Week.

Acting Executive Director Jourdain stated that the Drawing Unit reports that all drawings were held in accordance to established procedures and there were seven opt-in drawings for the month of October.

Acting Executive Director Jourdain stated that there were several events held during the month of October with one being the Ocean County Columbus Day Parade which Lottery games were sold from the concession trailer and did extremely well in sales.

Acting Executive Director Jourdain stated that the IMS staff coordinated procedural changes for the internal control system Mega Millions processing. He stated that this will bring us more in line with the Powerball internal control system.

Acting Executive Director Jourdain stated that the Lottery VIP Club increased its membership in October with over 2,000 new members and the total enrollment now is 164,625 active members.

Acting Executive Director Jourdain stated that the Operations Unit had 21 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 4,001 claim forms during the month of October.

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 this concludes the Director's Report for October 2009.

Chairman D'Anton asked if there were any comments on the Director's Report.

Vice Chairman Slater stated that at the last Commission meeting there was discussion about a quantitative method for selecting a retailer to go to an event.

Acting Executive Director Jourdain stated that we are looking into the selection methodology with the Sales Unit and we will make recommendations to the Commission on how to look at those opportunities. He stated that Deputy Director of Sales Kersey and his unit will be developing those initiatives and opportunities.

Vice Chairman Slater asked that in the future if we could put in the Director's Report a status of the requests from previous meetings.

Vice Chairman Slater asked if we looked at the sales to State contribution for the month of September where there was a disparity between the sales budget and the contribution.

Acting Executive Director Jourdain apologized and will direct staff to go into those financial reports and detail how the information can be itemized on an additional basis.

Vice Chairman Slater stated that it appeared on the main report and suggested that it be copied and explain the discrepancy.

Chairman D'Anton asked if there were any more 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 Vice Chairman Slater. The motion carried.

NEW BUSINESS

Chairman D'Anton asked for a motion to approve the instant ticket game rules for "Money Multiplier," "Hot Streak," "Blackout Bingo," "Shamrock Tripler," "Spring \$50s" and "Sinatra."

Acting Executive Director Jourdain stated that with the Sinatra game we will keep the Commissioners advised on all opportunities with this special ticket.

Chairman D'Anton asked if this was the responsibility of the Public Information Office to notify the commissioners.

Acting Executive Director Jourdain stated that was correct.

Chairman D'Anton stated that about two months ago, the commissioners were notified about an event about 2 hours in advance of a promotion and never wants to see that happen again.

Treasurer Designee Smartt stated that the Treasurer was also upset that the commissioners were not notified in advance.

Acting Executive Director Jourdain stated that we have taken the necessary steps to ensure that this will never happen again.

Chairman D'Anton asked if there were any other comments on the instant ticket game rules and there being none asked for a motion. Commissioner Kazmir made the motion which was seconded by Commissioner Ragazzo. The motion carried.

UPDATE ON ISSUES RAISED AT PREVIOUS MEETINGS

Commissioner Glass asked about the unclaimed prizes and whether we were going to scan winners through the OFAC (the Office of Foreign Assets and Control). She stated that this is the same kind of check that is done for unpaid child support or people who are overpaid for welfare. She stated that the OFAC check screens the system to make sure that a person is not a terrorist or on a watch list.

Acting Executive Director Jourdain stated that the DAG's office will need to look at this again.

The Commissioners thanked Acting Executive Director Jourdain for his years of service at the New Jersey Lottery and wished him well on his new position.

Acting Executive Director Jourdain thanked the Commission and stated that he is moving on to another opportunity in another State Lottery in North Carolina.

Acting Executive Director Jourdain stated that State Treasurer Rousseau asked that the Commission be advised that Marilyn Blazovsky has been named Acting Executive Director in the interim. He stated that Ms. Blazovsky could not be here today and asked that the Commission and Lottery staff give her the best support and continue to have great success.

Chairman D'Anton asked when Ms. Blazovsky would be returning.

Acting Executive Director Jourdain stated that she will be returning on Monday, November 23rd. He stated that there will be a designee named for the next three days and will be identified by Ms. Blazovsky by the end of today.

Chairman D'Anton requested that this information be emailed to all the Commissioners.

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 Kazmir made the motion, which was seconded by Commissioner Ragazzo. 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 17, 2009.

IN WITNESS WHEREOF, I hereby set my hand on

the 18TH day of December, 2009.



Steven Palmieri
Acting Executive Director