

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, OCTOBER 18, 2007

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
Munr Kazmir, Commissioner
Robert Smartt, Treasurer Designee

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

STAFF

Regina Arcuri
Linda Baldwin
Marilyn Blazovsky
Lou Cleary
Denise Coleman
Dominic DeMarco
Yoke DiGiorgio
Karen Kokoll
Foster Krupa
Dolores Matos
Steve Palmieri
Ray Ryan
Margaret Square
Nick Wiener

VISITORS

Kathy Steepy, OMB

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 September 20, 2007 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Vice Chairman Slater. 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 September totaled \$185.9 million, which is a decrease of 1.9% over last year.

Acting Executive Director Jourdain stated that the FY'08 to date sales are \$631.8 million and that we are approximately 10.6% ahead of budget.

Acting Executive Director Jourdain stated that our Instant ticket sales are 14% ahead of budget.

Acting Executive Director Jourdain stated that the Jersey Cash 5 sales are running about 8.8% ahead of budget, which is due to the solid jackpots that we have been offering.

Acting Executive Director Jourdain stated that the Pick 4 sales are 5.4% ahead of budget, which is due to the "Double Up" promotion.

Acting Executive Director Jourdain stated that the contribution to the state is running about 9.7% ahead of budget.

Acting Executive Director Jourdain stated that the receipts and deposits that the Finance Unit received for the month of September totaled \$292 million.

Acting Executive Director Jourdain stated that the cumulative outstanding accounts receivable balance as of September 30 was \$2.73 million.

Acting Executive Director Jourdain stated that the Sales staff has delivered the "Deal or No Deal" posters and cardboard stand-ups. He stated that many of the retailers are using these to bring attention to the game. He stated that the first month's sales were \$2.6 million in tickets.

Acting Executive Director Jourdain stated that the Breeder's Cup retailer drawing was held and it produced 10 retail winners that will receive VIP seating at Monmouth Park.

Acting Executive Director Jourdain stated that the Retailer Customer Call Center handled 2,190 incoming calls during the month of September.

Acting Executive Director Jourdain stated that there were 130 security investigations conducted by the Security Unit.

Acting Executive Director Jourdain stated that there are 6,210 retailer licenses issued as of September 30, 2007.

Acting Executive Director Jourdain stated that the Public Information Office planned and coordinated a press conference for the Mega Millions winner. He stated that they also coordinated a smaller press conference for the \$12 million Mega Million winner in Totowa.

Acting Executive Director Jourdain stated that the Public Information Office continues to work with IMS to update and establish additional "In the News" and "Beneficiaries" pages on the Lottery website.

Acting Executive Director Jourdain stated that Maryann Rivell participated as a panelist at the Council on Compulsive Gambling's annual conference and attended various workshops at the conference. Acting Executive Director Jourdain stated that he participated in the luncheon and provided the Governor's letter of congratulations.

Acting Executive Director Jourdain stated that all the drawings were held without incidence. He stated that they also conducted 7 Opt-In drawings for the month of September.

Acting Executive Director Jourdain stated that Lottery participated in various festivals during the month of September.

Acting Executive Director Jourdain stated that in October we would be at the Breeders Cup at Monmouth Race Park. He stated that there is a typo in the Director's report and that it should state that the Breeders Cup is in Monmouth not East Rutherford.

Acting Executive Director Jourdain stated that we would also be participating at the League of Municipalities in Atlantic City in November.

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

Acting Executive Director Jourdain stated that there are 125,413 members in the VIP Club.

Acting Executive Director Jourdain stated that the Operations Unit reports that there were 55 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 \$15,616.00 in arrears.

He stated that ongoing discussions continue with the Division of Taxation and OIT on implementation of Public Laws of 2007, Chapter 106 to expand matches and garnishments of Lottery winnings to other areas including tax debt.

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

Chairman D'Anton asked if there were any comments.

Vice Chairman Slater stated that with the Insurance Companies ratings, he would like to request that we get an updated letter as of the month of October as to the credit worthiness and the impact of these companies.

Vice Chairman Slater commented that we are doing a great job with the responsible play.

Commissioner Kazmir asked about the 130 security investigations and whether this could be broken down by county.

Acting Executive Director Jourdain stated that we would provide that information.

Vice Chairman Slater asked if we would be able to fund a study that would demonstrate what the ultimate potential is of the Lottery in terms of generating additional sales and profits if we did not have the restrictions that we have now. He stated that there could be new rules drafted to accommodate trying this. He asked Acting Executive Director Jourdain to think about this suggestion.

Acting Executive Director Jourdain stated that he will take it under consideration through Deputy Treasurer Smartt and the Treasurer's Office.

Chairman D'Anton 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 Vice Chairman Slater, which was seconded by Commissioner Kazmir. The motion carried.

NEW BUSINESS

Chairman D'Anton asked for a motion to approve the instant ticket game rules for "Gold Dust," "Big Blackout Bingo," "Sapphire Blue 7s," "Betty Boop" and "Cash Tripler." Vice Chairman Slater made the motion, which was seconded by Commissioner Kazmir. Chairman D'Anton asked if there were any comments and there being none the motion was carried.

MISCELLANEOUS

Acting Executive Director Jourdain distributed a draft of a press release. He stated that our final numbers are in for FY'07 and it is the sixth consecutive year that we have achieved \$2 billion in gross revenue.

Marketing Manager Foster Krupa played the television commercial for the Jersey Cash 5 game.

EXCECUTIVE SESSION

Deputy Attorney General Richard Evert stated that the Lottery Commission would be going into closed session to receive a confidential briefing on legal matters and that the matters discussed in this session would be made available to the public at such time when the need for confidentiality no longer exists.

Chairman D'Anton requested a motion to go into Executive Session, which was made by Commissioner Kazmir and seconded by Vice Chairman Slater. The motion carried.

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 Slater made the motion, which was seconded by Vice Chairman Slater. 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 October 18, 2007.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ day of _____, 2007.

William T. Jourdain
Acting Executive Director