

## **NEW JERSEY STATE LOTTERY COMMISSION**

### **PUBLIC MEETING, SEPTEMBER 20, 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  
James McGuire, Commissioner  
Robert Smartt, Treasurer Designee

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

#### **STAFF**

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

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.

DAG Krefetz stated that pursuant to NJSA 10:4-13 that the Lottery Commission will enter into Executive Session, during which the public shall be excluded, to discuss tactics and techniques utilized in protecting the safety and property of the public since such disclosure could impair such protection, and to also discuss any matters falling within the attorney/client privilege. He also stated that Deputy Director of Security Raymond Ryan and Chief Investigator Jim McElwain from the New Jersey Homeland Security Office be invited to the Executive Session to provide expert advice to counsel and to the Commission.

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

DAG Krefetz stated that the doors have been opened and the public has been invited back into the room now that we are out of Executive Session and back into public session.

Chairman D'Anton requested a motion to approve the minutes of the August 16, 2007 Commission Meeting. Commissioner McGuire made the motion, which was seconded by Commissioner Kazmir. 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 August totaled \$240.88 million, which is an increase of 30% over last year.

Acting Executive Director Jourdain stated that the Mega Million's sales for the month of August were \$57 million and there was also a positive performance in the Instant products of over \$103 million.

Acting Executive Director Jourdain stated that there was a calculation error in the Advertising Expense and that the actual percentage of advertising spent for the Pick 4 game is 91.2%.

Acting Executive Director Jourdain stated that we are on target for the budget and we are running about 14% ahead due to the Mega Millions jackpot, which has helped bolster the first 2 months.

Acting Executive Director Jourdain stated that the contribution to the state is running about 14% ahead of budget.

Acting Executive Director Jourdain stated the receipts and deposits that the Finance Unit received for the month of August totaled \$219 million.

Acting Executive Director Jourdain stated that the balance in the unclaimed prize reserve account is \$6.47 million.

Acting Executive Director Jourdain stated that there was a marketing campaign that included statewide radio and television advertising for the Pick 4 "Red Ball Double Up." He stated that the promotion resulted in a 16% increase in Pick-4 sales.

Acting Executive Director Jourdain stated that Marketing has also begun planning for a VIP Club membership drive for the fall, as well as the return of the Million Dollar New Year's raffle game which will go on sale the end of November.

Acting Executive Director Jourdain stated that the Sales staff has been out delivering the remainder of the \$20.00 Independence Day Raffle signs to the retailers that sold winning tickets. He stated that the Sales staff also participated in three successful press events for the Mega Millions jackpot.

Acting Executive Director Jourdain stated that there were 132 security investigations conducted by the Security Unit.

Acting Executive Director Jourdain stated that there are 6,191 licenses issued as of August 31, 2007.

Acting Executive Director Jourdain stated that the Public Information Office has continued to support the "Not 18 Yet? No Bet!" campaign in conjunction with the Council on Compulsive Gambling.

Acting Executive Director Jourdain stated that all the drawings were held without incidence. He stated that they also conducted 15 Opt-In drawings for the month of August.

Acting Executive Director Jourdain stated that Lottery is a valuable sponsor and partner in the Breeder's Cup, which is coming up at the end of October and that the Lottery will be on site, October 24 – 27 leading up to the Breeder's Cup.

Acting Executive Director Jourdain stated that IMS continues to work with Marketing and the vendor on the New Jersey Lottery website refresh.

Acting Executive Director Jourdain stated that there are 123,344 members in the VIP Club.

Acting Executive Director Jourdain stated that the Operations Unit reports that there were 31 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 \$8,492.00 in arrears. He stated that since the program started in 1992 the Lottery has helped collect over \$5.1 million.

He stated that we are getting our procedures in place with the new legislation requiring us to check against the taxation soil offset program for any outstanding arrears. He stated that the offset program is going to be expanded to any state debt owed.

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

Chairman D'Anton asked if there were any comments.

Commissioner Kazmir asked about the 132 security investigations.

Acting Executive Director Jourdain stated that some of these investigations are of players stating that they were paid the wrong prize amount on a winning ticket or an underage person was buying tickets. He stated that there are also in-house generated investigations which could be a signature was doctored on a ticket.

Commissioner Kazmir asked about the retailer evaluation program.

Acting Executive Director Jourdain stated that all the retailers will be visited and recommendations will be made of how to increase their sales this year. He stated that we categorize our retailers as "AA", "A", "B" and "C" and that the majority of the revenue is coming from our top selling "AA" agents. He stated that we would stay on top of the "A" and "B" agents making recommendations on how they can become a "AA" agent.

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 McGuire. The motion carried.

### **NEW BUSINESS**

Chairman D'Anton asked for a motion to approve the instant ticket game rules for "New Jersey Poker," "Holiday Treasures," "Mardi Gras Getaway," "Heart of Gold" and "Lucky Duck Doubler." Commissioner McGuire 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 was carried.

### **MISCELLANEOUS**

Acting Executive Director Jourdain distributed information on the New Jersey Stars Program. He stated that Mary Ann Rivell and Dominick DeMarco of the Public Information staff gathered information on the Stars and Stars II program.

Chairman D'Anton asked how many opt not to take advantage of this program and go somewhere else.

Acting Executive Director Jourdain stated that when the Stars program started in 2004, 932 students received NJ Stars scholarships and it is now up to 3,100 students in the program.

Chairman D'Anton asked for a spreadsheet that shows the actual year-to-year of how many students.

Vice Chairman Slater asked what the dollar amount is that the lottery funds in to the county college program.

Acting Executive Director Jourdain stated that he would get that information.

Vice Chairman Slater asked what the percentage was of the total budget of the county colleges that lottery is responsible for.

Acting Executive Director Jourdain stated that it is not the total budget but a portion of the budget and he will have to go into the original budget document and compare what was originally budgeted versus our contribution.

Vice Chairman Slater asked if we also fund \$4000 per year toward tuition.

Acting Executive Director Jourdain stated that it is part of the Stars program and is under the purview of HESSA.

Vice Chairman Slater stated that Student Assistance awards scholarships and asked what percentage of that do we fund.

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

Vice Chairman Slater also asked what kind of dollars.

Chairman D'Anton requested that this be shared with all of the Commissioners.

Chairman D'Anton requested that the Commissioners receive this information by Tuesday.

**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 McGuire 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 September 20, 2007.

IN WITNESS WHEREOF, I hereby set my hand on

the \_\_\_\_\_ day of \_\_\_\_\_, 2007.

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William T. Jourdain  
Acting Executive Director