NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, APRIL 17, 2014

Chairman Tucci called the Commission meeting into session at 10:00 AM in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

COMMISSION MEMBERS PRESENT
Thomas Tucci, Chairman
Frank Ragazzo, Vice Chairman (by phone)
Albert Alvarez, Commissioner (by phone)
Robert D'Anton, Commissioner (by phone)
Roger Cohen, Treasurer Designee

Carole Hedinger, Executive Director
John Custodio, Deputy Executive Director
Roger Gibson, Deputy Attorney General
Christopher Howard, Governor's Authority Unit

VISITORS
Sarah Brennan, Northstar
Lou Cleary, Northstar
Roza Dabaghyah, Division of Law
Jane Gregory, Northstar
John Leonardi, Brushfire
Russ Knapp, Northstar
Foster Krupa, GTECH
William Murray, Northstar

STAFF

Regina Arcuri
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Janice Eckstein
Jean Lin
Frances Lioudis
Dolores Matos
Rick Pagnani
Steve Palmieri
Debbie Raub
Mary Ann Rivell
Margaret Square
John White

After the Pledge of Allegiance, Chairman Tucci 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 Tucci requested a motion to approve the minutes of the March 20, 2014 Commission Meeting. Vice Chairman Ragazzo made the motion, which was seconded by Commissioner Alvarez. Chairman Tucci asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger stated that ticket sales for the month of March totaled $265.68 million.

Executive Director Hedinger noted that year to date sales are over 5% ahead of last year.

Executive Director Hedinger reported that the receipts and deposits for the month of March were $207.8 million.

Executive Director Hedinger stated that there were 101 Electronic Fund Transfer failures during the month of March. The Accounts Receivable Unit settled 89% of the prior month's failures.

Executive Director Hedinger noted that the balances in the unclaimed prize reserve accounts are over $21 million.

Executive Director Hedinger reported that the current balances in the annuity investment accounts total $228.9 million.

Executive Director Hedinger noted that the three top non-core instant game sales during March were "$150,000,000 Cash Spectacular", "2,000,000 Mega Cash" and "Silver/Gold/Platinum 7s"." Core games made up about 41% of total instant sales with "Crossword", "Super Crossword" and "Quarter Million Crossword" contributing over $24 million in sales. Big Money Spectacular had over $14 million, "100,000,000 Spectacular" had over $9 million, "Diamond Spectacular" had more than $4 million, and "Bingo" had over $2 million in sales.

Executive Director Hedinger reported that the new "Win For Life" family of games contributed over $9 million in sales for the month.

Executive Director Hedinger stated that we introduced four new instant games during March.

Executive Director Hedinger reported that advertising supported the "$150,000,000 Cash Spectacular" and "$2,000,000,000 Mega Cash" which ran from March 10th through April 7th.

Executive Director Hedinger stated that the Pick 3 "Green Ball Double Draw" promotion increased Pick-3 sales by nearly 6% during the promotion period.

Executive Director Hedinger noted that we continue the planning and development for a $13 Instant Match promotion for April.

Executive Director Hedinger noted that the biggest fan reaction to a Facebook post in March was for a Lottery-generated press release titled "An Unclaimed Million Dollar Ticket from the Celebrated New Jersey Powerball Jackpot Winning Draw is Due to Expire!"

Executive Director Hedinger stated that all drawings for March were completed according to procedures and with no abnormalities.

Executive Director Hedinger noted that there was a special drawing held from March 10th to March 30th for the Pick 3 Green Ball Promotion.

Executive Director Hedinger reported that there were many press releases issued during the month of March.

Executive Director Hedinger stated that on March 4th Lottery participated in a joint press conference for Problem Gambling Awareness Month with the Council of Compulsive Gambling and the Division of Mental Health and Addiction Services.

Executive Director Hedinger noted that we continue to monitor legislative activity for anything that could affect the New Jersey Lottery.

Executive Director Hedinger reported that there were 199 security investigations and 217 random field inspections during the month of March.

Executive Director Hedinger stated that the Licensing Unit received and processed 148 applications and 166 licenses were issued. At the end of March, there were 7,062 licenses issued.

Executive Director Hedinger reported that we collected over $1,213.60 for the month of March through our efforts with the Division of Taxation.

Executive Director Hedinger noted that the IMS staff continues to have discussions with NEC to replace the telephone system.

Executive Director Hedinger stated the IMS staff continues working on the help desk email and voice mail accounts to organize and manage service requests.

Executive Director Hedinger noted that the VIP Club increased its membership with 2,819 new registrations during the month of March and now has an enrollment of almost 273,000 active members.

Executive Director Hedinger stated that the Validation Staff received and sorted almost 4,600 mailed claim forms and 288 walk-in claim forms during the month of March. They entered almost 4,600 claim forms into the system.

Executive Director Hedinger reported that the Instant Ticket Inventory Control Section updated the status of returned tickets.

Executive Director Hedinger noted that the Retailer/Customer Call Center handled 3,254 incoming calls during the month of March and made over 383 outgoing calls.

Executive Director Hedinger reported that the Warehouse staff continued to process the instant returns; including the one-time clean-up of select old instant games.

Executive Director Hedinger reported that the facilities coordinator worked with Nexus to ensure the maintenance of the building was accomplished.

Executive Director Hedinger noted that Northstar now has a total of 116 employees.

Executive Director Hedinger stated that Wawa installations continue; 232 were done by the end of March. All 236 were completed before April 16th.

Executive Director Hedinger reported that the Sales Team has been focusing on completing the Retailer Instant Ticket Dispenser Resets to create better visibility of our tickets.

Executive Director Hedinger reported that the Sales Team has been working on the March Instant Game Launches to get early penetration and activations.

Executive Director Hedinger noted that Northstar met with Quick Chek to discuss a partnership with them at the Balloon Festival.

Executive Director Hedinger reported that Northstar is negotiating a possible sponsorship with the Red Bulls soccer.

Executive Director Hedinger stated that Northstar is working on the RFP for a new advertising agency contract.

Executive Director Hedinger noted that the next After School Advantage Program grant has been awarded to the Salvation Army's Boys & Girls Club in Newark and has been scheduled for May 14th.

Executive Director Hedinger stated that this concludes the Director's Report.

Chairman Tucci asked if there were any comments.

Chairman Tucci asked about the core games sales and a discussion was held.

Chairman Tucci asked about the Retailers bonus payments and a discussion was held.

Chairman Tucci asked whether Northstar was fully staffed and a discussion was held.

Chairman Tucci requested a motion to approve the Director's Report. Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton.

NEW BUSINESS

Executive Director Hedinger certified that consideration for each game included, but was not limited to, intended target market, product family, seasonal factors, launch plans, overall market strategy, sales goals, prior experience, current market trends and market place demands.

Chairman Tucci requested a motion to approve the instant ticket game rules for "Triple Diamonds." Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the instant ticket game rules for "Gem 7's." Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the instant ticket game rules for "Lucky Loot." Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the instant ticket game rules for "Super Crossword." Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the instant ticket game rules for "$250,000 Crossword." Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the "Cash 4 Life" game rules. Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton. Chairman Tucci asked if there were any comments and there being none the motion carried.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Chairman Tucci asked for a motion to adjourn the meeting. Vice Chairman Ragazzo made the motion which was seconded by Commissioner D'Anton. The motion carried.

Chairman Tucci adjourned the meeting.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on April 17, 2014.

IN WITNESS WHEREOF, I hereby set my hand on

the 15th day of May, 2014

Carole Hedinger

Carole Hedinger
Executive Director