NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, AUGUST 23, 2012

Chairman Ragazzo 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
Frank Ragazzo, Chairman
Thomas Tucci, Vice Chairman
Al Alvarez, Commissioner (By Phone)
Robert Slater, Commissioner (By Phone)
David Ridolfino, Treas. Designee

Carole Hedinger, Executive Director
Jennifer Linett, Deputy Attorney General
Nicole Crifo, Gov. Auth.Unit

STAFF
Regina Arcuri
Lou Cleary
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Robert Kersey
Karen Kokoll
Foster Krupa
Jean Lin
Dolores Matos
Steve Palmieri
Mary Ann Rivell

VISITORS

Joan Mueller, Brushfire

After the Pledge of Allegiance, Chairman Ragazzo 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 Ragazzo requested a motion to approve the minutes of the July 24, 2012 Commission Meeting. Commissioner Slater made the motion, which was seconded by Vice Chairman Tucci. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger stated that the sales were very good for the month of July. She stated that totals sales for the month were up 3.6% which she attributes to the yearlong marketing campaign.

Executive Director Hedinger stated that the receipts and deposits for the month of July were $218 million.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are over $15 million.

Executive Director Hedinger stated that the top selling instant games during the month of July were "$100,000,000 Spectacular," "Double Sided Dollars" and "Hold'Em Poker."

Executive Director Hedinger stated that plans were finalized for the $10 Instant Match promotion which began on July 30th.

She stated that our Facebook continues to be one of the most popular Facebook pages in all the State Lotteries. She noted that we have over 61,000 fans as of the end of July.

Executive Director Hedinger noted that in the Fall there will be additional new social media efforts being put forward for the Fall sports which should generate a lot of interest.

Executive Director Hedinger reported that we participated in the Quick Chek Balloon Festival in Readington at the end of July. She stated that our sales for that weekend came close to $18,000.

Executive Director Hedinger stated that we participated in the Council on Compulsive Gambling's efforts on advertising the "Not 18 Yet? No Bet" campaign. She stated that we filmed an awareness campaign at a Lottery retailer, along with the Executive Director of the Council on Compulsive Gambling, on why we should not sell to children.

Executive Director Hedinger stated that the retailer count for the end of July is over 6500. She stated that we are continuing to reach out for new retailers to get to the 6700 agent level.

Executive Director Hedinger reported that there were 105 security investigations and 76 random field inspections during the month of July.

Executive Director Hedinger reported that there was a total of $6,286.30 collected for the month of July through the efforts of the NJ Lottery/Division of Taxation Joint Investigation Project.

Executive Director Hedinger stated that the VIP Club goal this year is to reach 257,000 members.

Executive Director Hedinger reported that the Validation Staff received 3,595 claim forms during the month of July. Executive Director Hedinger stated that 14 claims were garnished totaling $26,084.89.

Executive Director Hedinger stated that all drawing and pool closings were held in accordance to established procedures with no abnormalities.

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

Chairman Ragazzo asked if there were any comments on the Director's Report and there being none asked for a motion to approve the Director's Report. Vice Chairman Tucci made the motion which was seconded by Commissioner Slater. The motion carried.

NEW BUSINESS

Chairman Ragazzo requested a motion to approve the Red Ball Doubler Rules to include "Pick 3." Commissioner Slater made the motion which was seconded by Vice Chairman Tucci. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

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

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Plants vs. Zombies." Commissioner Slater made the motion which was seconded by Vice Chairman Tucci. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Diamond Spectacular." Commissioner Slater made the motion which was seconded by Commissioner Alvarez. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Marketing Manager Foster Krupa gave a presentation on the Fiscal Year '12 Marketing Recap.

Media Director Michael DeCheser gave a presentation on the Social and New Media Innovations.

Executive Director Hedinger stated that the New Jersey Lottery is a very mature Lottery at 40 years old. She stated that growing this Lottery is not an easy lift and she stated that you have to be innovative and willing to try new things and most of all you have to have the resources and the support to be able to market the product. She stated that the staff has done a great job in leading New Jersey into the future of social media marketing and pulling up those sales the way we did last fiscal year.

Chairman Ragazzo congratulated the Lottery staff on a well thought out and very impressive presentation.

Commissioner Slater also congratulated staff and stated that the New Jersey Lottery is the innovator of the country and should make this presentation to the public.

Executive Director Hedinger stated that today's presentation was an audition in developing our social media story and taking it on the road to show other agencies as well as other lotteries and industries.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Chairman Ragazzo asked if there was any other business to be discussed and there being none, asked for a motion to adjourn. Vice Chairman Tucci made the motion, which was seconded by Commissioner 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 August 23, 2012.

IN WITNESS WHEREOF, I hereby set my hand on

the 25th day of September, 2012.

Carole Hedinger

Carole Hedinger
Executive Director