NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, JUNE 19, 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
Robert D'Anton, Commissioner
Munr Kazmir, Commissioner (by phone)
Robert Slater, Commissioner
Roger Cohen, Treasurer Designee

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

VISITORS
Sarah Brennan, Northstar
Russ Knapp, Northstar
Foster Krupa, GTECH

STAFF
Regina Arcuri
Denise Coleman
Duane Daniels
Judy Drucker
Janice Eckstein
Karen Kokoll
Jean Lin
Frances Lioudis
Dolores Matos
Rick Pagnani
Steve Palmieri
Deborah Raub
Mary Ann Rivell
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 May 15, 2014 Commission Meeting. Commissioner Kazmir made the motion, which was seconded by Vice Chairman Ragazzo. Chairman Tucci asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Deputy Executive Director Custodio stated that the sales for May totaled over $253 million.

Deputy Executive Director Custodio noted that the receipts and deposits for the month of May were $228 million.

Deputy Executive Director Custodio reported that the balances in the unclaimed prize reserve accounts are over $23.6 million.

Deputy Executive Director Custodio stated the current balances in the annuity investment accounts total $221.3 million.

Deputy Executive Director Custodio reported that instant sales have increased 3.1% from last year

Deputy Executive Director Custodio noted that we introduced four new instant games in May.

Deputy Executive Director Custodio stated May's "Free Ticket Friday" promotion was very successful. More than 235,000 free tickets were given away throughout the month.

Deputy Executive Director Custodio noted that our social media has continued to increase.

Deputy Executive Director Custodio reported that all drawings for the month of May were completed with no abnormalities.

Deputy Executive Director Custodio stated that there were many press releases issued over the past month.

Deputy Executive Director Custodio noted that Judy Drucker and her team are doing an exceptional job with dealing with the public on our behalf.

Deputy Executive Director Custodio stated that we continue to have one of the best Responsible Play programs with our partners at the Council on Compulsive Gambling. Mary Ann Rivell does a great job with the Council.

Deputy Executive Director Custodio reported that last month we submitted a packet for World Lottery Association Level 2 Responsible Gaming Certification.

Deputy Executive Director Custodio stated that we continue to monitor legislative activities.

Deputy Executive Director Custodio stated that Northstar's After School Advantage computer lab was launched at the Salvation Army's Boys and Girls Club in Newark. Russ Knapp, Sarah Brennan and Northstar did a fantastic job. These labs show Northstar's commitment to our community.

Deputy Executive Director Custodio reported that there are 7,230 licenses issued as of May 31, 2014.

Deputy Executive Director Custodio noted that we collected a total of $15,189.33 for the month of May through our efforts with the Division of Taxation. The total collected year to date is $58,260.56.

Deputy Executive Director Custodio stated that the IMS unit has met with staff of Northstar, GTECH, DORES, MUSL and OIT to prepare for the network infrastructure redesign proposal.

Deputy Executive Director Custodio reported that Lottery email will be migrated from an on-premise solution to a cloud solution in a few months.

Deputy Executive Director Custodio noted that the VIP Club increased its membership with 1,792 new registrations during the month of May.

Deputy Executive Director Custodio stated that our website will be migrated to Northstar in the next six months. Northstar will have full control of the website content.

Deputy Executive Director Custodio reported that the Validation Staff received over 3,500 claim forms and had 327 walk in claims during the month of May.

Deputy Executive Director Custodio stated that there were 27 social security matches between our files and various agencies for arrearages. Since inception in 1992, the New Jersey Lottery has collected more than $6.8 million for these arrearages.

Deputy Executive Director Custodio noted that the Retailer/Call Center Services Unit handled over 3,000 calls during the month of May.

Deputy Executive Director Custodio stated the CASH 4 LIFE game drawing machines were delivered in May.

Deputy Executive Director Custodio noted that the facilities coordinator worked with Nexus to ensure the maintenance of the building was accomplished satisfactorily.

Deputy Executive Director Custodio stated that we have surrendered about 2,500 square feet of office space to Northstar.

Deputy Executive Director Custodio noted that Northstar now has a total of 118 employees.

Deputy Executive Director Custodio reported that the number of active retailers is 6,825.

Deputy Executive Director Custodio stated that Northstar's sales team has been very active in promoting all the new games that were launched.

Deputy Executive Director Custodio stated that the CASH 4 LIFE was launched as planned. Deputy Executive Director Custodio complimented Regina Arcuri, Michael DeCheser and the drawing staff for a fantastic roll out. The drawing is held at the New Jersey Lottery with Executive Director Hedinger as the lead Director of the NY/NJ multi-state game.

Deputy Executive Director Custodio noted that our revenue from the first CASH 4 LIFE drawing was $911,000 and New York's was $1.26 million for the first draw.

Deputy Executive Director Custodio reported we had a casting call for the "Happy" winner awareness campaign.

Deputy Executive Director Custodio stated the TriFactor machine was upgraded last month.

Deputy Executive Director Custodio noted the Advertising RFP went out and Northstar is in the process of interviewing and reviewing the finalists this week.

Deputy Executive Director Custodio stated that this concludes the Director's Report.

Chairman Tucci asked if there were any comments.

Vice Chairman Ragazzo asked about Powerball and Mega Millions with regard to the budget and a discussion was held.

Commissioner D'Anton asked about next year's budget and a discussion was held.

Commissioner D'Anton asked about the increase of Retailers and a discussion was held.

Commissioner Slater commented about the budget for Lotto games and a discussion was held.

Chairman Tucci commented that the New Jersey Lottery is probably one of the most successful Divisions in the State of New Jersey. Historically, we are the largest revenue generator outside of the Division of Taxation in Treasury. This doesn't happen by accident, it's the hard work of the Commission, Carole, John and staff. It is why the New Jersey Lottery is so successful.

Chairman Tucci requested a motion to approve the Director's Report. Commissioner Kazmir made the motion which was seconded by Commissioner Slater.

NEW BUSINESS

Deputy Executive Director Custodio 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 "Birthday Bucks." Commissioner Kazmir made the motion which was seconded by Commissioner Slater. 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 "Bingo x10." 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 "World Series of Poker." Commissioner Slater made the motion which was seconded by Commissioner Kazmir. 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 "Monopoly" ($1). 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 "Monopoly" ($2). Commissioner D'Anton made the motion which was seconded by Commissioner Kazmir. 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 "Monopoly" ($5). Commissioner Slater made the motion which was seconded by Commissioner Kazmir. 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 "Triple Winning 7s." Commissioner Kazmir made the motion which was seconded by Commissioner Slater. 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 "The Walking Dead." Vice Chairman Ragazzo made the motion which was seconded by Commissioner Kazmir. 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 "Crossword." Commissioner D'Anton made the motion which was seconded by Vice Chairman Ragazzo. Chairman Tucci asked if there were any comments and there being none the motion carried.

Deputy Attorney General Gibson stated that the election of officers will take place and requested a roll call:

Thomas Tucci	Present
Frank Ragazzo	Present
Robert D'Anton	Present
Robert Slater	Present
Munr Kazmir	Present
Treasurer Designee Cohen	Present

Deputy Attorney General Gibson asked for a nomination for Chairman of the Lottery Commission. Commissioner Slater nominated Thomas Tucci, which was seconded by Commissioner Kazmir. Deputy Attorney General Gibson asked if there were any comments and there being none asked for a roll call vote.

Thomas Tucci	Abstained
Frank Ragazzo	Yes
Robert D'Anton	Yes
Robert Slater	Yes
Munr Kazmir	Yes
Treasurer Designee Cohen	Yes

Deputy Attorney General Gibson stated that the motion carried and stated that Thomas Tucci has been elected Chairman of the New Jersey Lottery Commission.

Deputy Attorney General Gibson asked for a nomination for Vice Chairman of the Lottery Commission. Commissioner D'Anton nominated Frank Ragazzo, which was seconded by Commissioner Slater. Deputy Attorney General Gibson asked if there were any comments and there being none asked for a roll call vote.

Thomas Tucci	Yes
Frank Ragazzo	Abstained
Robert D'Anton	Yes
Robert Slater	Yes
Munr Kazmir	Yes
Treasurer Designee Cohen	Yes

Deputy Attorney General Gibson stated that the motion carried and Frank Ragazzo has been elected Vice Chairman of the New Jersey Lottery Commission.

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.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on June 19, 2014.

IN WITNESS WHEREOF, I hereby set my hand on

the 17th day of July, 2014.

Carole Hedinger
Executive Director