NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, SEPTEMBER 19, 2013

Chairman Tucci called the Commission meeting into session at 10:30 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 Slater, Commissioner
Roger Cohen, Treasurer Designee

Carole Hedinger, Executive Director
John Custodio, Deputy Executive Director
Kellie Pushko, Deputy Attorney General
Peter Simon, Governor's Auth. Unit (by phone)

STAFF
Regina Arcuri
Lou Cleary
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Janice Eckstein
Karen Kokoll
Jean Lin
Dolores Matos
Richard Pagnani
Steve Palmieri
Margaret Square

VISITORS
Sarah Brennan, Northstar
Russ Knapp, Northstar
Gordon Medenica, Northstar
Bill Murray, Northstar
Joan Mueller, Brushfire
Jaymin Patel, Gtech

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 welcomed Jaymin Patel, CEO of Gtech Corporation.

Chairman Tucci requested a motion to approve the minutes of the August 22, 2013 Commission Meeting. Commissioner Slater 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

Executive Director Hedinger stated that the description "September" sales should be corrected to "August" sales on page one of the Director's report.

Executive Director Hedinger stated that August ticket sales were up 5% ahead of last year. She stated that the growth came mainly from the draw games. She noted that we are right on target for revenue contributions.

Executive Director Hedinger stated that the receipts and deposits for the month of August were $437 million.

Executive Director Hedinger stated that there were 94 Electronic Fund Transfer failures during the month of August.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are $16.4 million.

Executive Director Hedinger stated that the current balances in the annuity investment accounts total $253 million.

Executive Director Hedinger stated that the three top non-core instant game sales during August were more than over $10 million and the core instant game sales totaled more than $68 million.

Executive Director Hedinger reported that plans were finalized for the Pick 3/Pick 4 "Red Ball Doubler" promotion.

Executive Director Hedinger stated that one explanation for the increase in Pick-3 and Pick-4 sales may be that the drawings are now being televised.

Executive Director Hedinger reported that the "Halloween Millions Raffle" will be introduced on September 23, 2013 which is a multi-state raffle game.

Executive Director Hedinger stated that the Mega Millions game enhancements are underway which is slated to begin in October.

Executive Director Hedinger stated that Lottery Facebook continues to be one of the most popular Facebook pages in all the State Lotteries with over 100,000 likes at the end of August.

Executive Director Hedinger reported that a new "Behind the Ball" video was posted during the month and was well received.

Executive Director Hedinger reported that there were multiple press releases during the month of August.

Executive Director Hedinger stated that a press conference was held at the Ocean County Library to introduce the 16 Ocean County Powerball winners from the August 7th draw.

Executive Director Hedinger stated a press conference was held with the Council on Compulsive Gambling on August 6th for the Annual "Not 18 Yet? No Bet" Awareness campaign.

Executive Director Hedinger reported that there were 135 security investigations and 107 random field inspections during the month of August.

Executive Director Hedinger stated that there were 102 licenses issued in August.

Executive Director Hedinger noted that there was a total of $2,697.91 collected for the month of August via the efforts of the NJ Lottery/Division of Taxation Joint Investigation Project.

Executive Director Hedinger reported that 100% of the employees impacted by the Northstar contract are employed by either Lottery, Northstar, or have retired.

Executive Director Hedinger reported that ongoing meetings have been held with Northstar and OIT to facilitate the process of transitioning the NJ Lottery website to Northstar's environment.

Executive Director Hedinger noted that the VIP Club increased its membership with 2,422 new registrations during the month of August and now has an enrollment of 259,937 active members.

Executive Director Hedinger reported that the Validation Staff received over 3,500 claim forms during the month of August and there were 23 social security matches between our files and various agencies for arrearages.

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

Executive Director Hedinger reported the Retailer/Call Center Unit handled 3,039 incoming calls during the month of August. She stated that Northstar also has a Retailer/Call Center and there are liaisons on Lottery's side that connects to the Operations Specialists on the Northstar side so that there is continuous communication between the organizations regarding retailer issues.

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

Chairman Tucci noted that he was pleased that no one lost their job, which was the target, and it was accomplished.

Executive Director Hedinger stated that a career day was held for the impacted employees, which helped them to identify their talents, their skills and resume writing. She stated that when they went on their interviews they felt very comfortable and secure with moving on to another company, which is to the credit of Northstar and to Lottery staff.

Chairman Tucci requested a motion to approve the Director's Report. Commissioner Slater 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.

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 "New Jersey Hold 'Em Poker." Vice Chairman Ragazzo 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 "Zuma." Vice Chairman Ragazzo made the motion which was seconded by Commissioner Slater. 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. Commissioner Slater made the motion which was seconded by Vice Chairman Ragazzo. 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 19, 2013.

IN WITNESS WHEREOF, I hereby set my hand on

the 17th day of October, 2013.

Carole Hedinger

Carole Hedinger
Executive Director