

## NEW JERSEY STATE LOTTERY COMMISSION

### PUBLIC MEETING SEPTEMBER 16, 2021

Chair D'Anton called the Commission meeting into session at 10:00 a.m.

#### COMMISSION MEMBERS (BY TELEPHONE)

Robert J. D'Anton, Chair  
Marilyn Blazovsky, Vice Chair  
Ian K. Leonard, Commissioner  
Dini Ajmani, Treasurer's Designee  
Gary Terwilliger, Division of Investment Designee

James A. Carey, Jr., Executive Director  
Roza Dabaghyan, Deputy Attorney General  
Rudy Rodas, Governor's Auth. Unit

#### VISITORS (BY TELEPHONE)

Adam Perlow, Northstar  
Erica Helms, Northstar  
Foster Krupa, Northstar  
Sam Fromkin, Northstar

#### STAFF (BY TELEPHONE)

Missy Gillespie  
Jerry Guarino  
Dean Ialacci  
Shelina Islam  
Robert Kersey  
Kelly Laird  
Jason Lee  
Jack Leo  
Marc Marseglia  
Charlene Mello  
Ellen O'Malley  
Joseph Oleszkiewicz  
Rick Pagnani  
Steve Palmieri  
Debbie Raub  
Mary Ann Rivell  
Ryan Schaffer  
Margaret Square  
John White

After the Pledge of Allegiance, Chair 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.

Chair D'Anton requested a motion to approve the minutes of the August 19, 2021 Commission meeting. Commissioner Leonard made the motion, which was seconded by Vice Chair Blazovsky. Chair D'Anton asked if there were any comments and there being none, the motion carried.

#### DIRECTOR'S REPORT

Executive Director Carey stated that Lottery had a very good month in August and that jackpots in September were high.

Executive Director Carey reviewed the Lottery's August's results and activities. Highlights were:

All games total sales were: \$307 million  
Lotto games total sales were: \$41.6 million  
Daily machine games total sales were: \$92.4 million  
Scratch-Off tickets total sales were: \$173.4 million

Executive Director Carey stated that Pick-6 had sales of \$5.1 million compared to \$4.4 million the prior year, which was an increase of 16.7%.

Executive Director Carey stated that CASH4LIFE had sales of \$5.19 million compared to \$4.9 million the prior year, which was an increase of 4.6%.

Executive Director Carey stated that Mega Millions had sales of \$15 million compared to \$8 million the prior year, which was an increase of 89%.

Executive Director Carey stated that Powerball had sales of \$15.9 million compared to \$10.2 million the prior year, which was an increase of 56%. The average jackpots for Powerball in August were \$275 million compared to \$85 million last August.

Executive Director Carey stated that Pick-3 had sales of \$38 million compared to \$38.1 million the prior year, which was a decrease of .02%.

Executive Director Carey stated that Pick-4 had sales of \$23.8 million compared to \$24.6 million the prior year, which was a decrease of 3%.

Executive Director Carey stated that historically summers have not been great for the numbers games. Pick-3 and Pick-4 both had great years last year and we hope to see some pickup as we go into the fall.

Executive Director Carey stated that Jersey Cash 5 had sales of \$14.7 million compared to \$18.6 million the prior year, which was a decrease of 21.2%.

Executive Director Carey stated that Cash Pop had sales of \$4 million compared to \$1.9 million the prior year.

Executive Director Carey stated that Quick Draw had sales of \$9.5 million compared to \$8.4 million the prior year, which was an increase of 12%.

Executive Director Carey stated that Cash Pop and Quick Draw were the two games that suffered in the pandemic and it is good to see them coming back.

Executive Director Carey stated that Fast Play had sales of \$2.2 million compared to \$1.5 million the prior year, which was an increase of 41.7%.

Executive Director Carey stated that the total contribution for the month was \$89.2 million compared to \$83.4 million the prior year, which was an increase of 7%. The contribution was 29.02% of sales.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$9.8 million compared to \$9.1 million the prior year, which was an increase of 6.6%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$10.3 million compared to \$9.9 million the prior year, which was an increase of 3.7%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$27 million compared to \$18.6 million the prior year, which was an increase of 45%.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$28.6 million compared to \$19.6 million the prior year, which was an increase of 45%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$77 million compared to \$77.3 million the prior year, which was a decrease of .03%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$48.4 million compared to \$49.7 million the prior year, which was a decrease of 2.5%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$28.9 million compared to \$31.5 million the prior year, which was a decrease of 8.2%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$7.9 million compared to \$3.8 million the prior year, which was an increase of 105%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$19.6 million compared to \$17 million the prior year, which was an increase of 15.3%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$4.8 million compared to \$2.9 million the prior year, which was an increase of 66%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$348.2 million compared to \$347.6 million the prior year, which was an increase of .02%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$610.9 million compared to \$587.4 million the prior year, which was an increase of 4%.

Executive Director Carey stated that fiscal year to date the total contribution was \$177.8 million compared to \$166.7 million the prior year, which was an increase of 6.7%. Executive Director Carey stated that net proceeds Fiscal Year to date were 29.11% of sales. Fiscal year profits from lotto games were \$30.7 million or 40.5% of sales. Fiscal year profits from daily games were \$71.8 million or 38.4% of sales. Fiscal year profits from Scratch-Offs were \$74.4 million or 21.3% of sales.

Executive Director Carey stated that the top three selling non-core games for August were "100X The Cash," which generated \$14.8 million in sales, "Raging Hot 7's," which generated \$9.3 million in sales and "\$3,000,000 Mega Bucks," which generated \$9.2 million in sales.

Executive Director Carey stated that the top three selling core and family games for August were the "Crossword" core games, which generated \$32 million in sales, "Hot 7's" family of games, which generated \$18.6 million in sales and "Riches" family of games, which generated \$14.1 million in sales.

Executive Director Carey reviewed high tier winners throughout the state in August.

Executive Director Carey stated that all drawings for the month of August were completed with no abnormalities.

Executive Director Carey stated that all on-line game pools were closed according to procedures with no abnormalities. All Powerball and Mega Millions Drawings were verified and processed with no abnormalities. The Internal Control System (ICS) was processed for each drawing without any imbalances. All appropriate winning number information was broadcast correctly to all media contacts. All in-house staff received appropriate information via email. On August 23, the first night that Powerball was expanded to Monday, there were technical issues in other states. New Jersey successfully closed its pools for that draw timely but could not release the results until the next day when the issues were resolved in the other states.

Executive Director Carey stated that on August 31 the Lottery held the "Not 18 Yet? No Bet" annual awareness campaign event with the Council on Compulsive Gambling of New Jersey at the Corner Express Mart in Lawrenceville. Executive Director Carey thanked the Public Information Office for coordinating this event.

Executive Director Carey stated that the Validations Department received and sorted 3,656 mailed claims during the month of August. There were 340 received in the drop box. There were 27 hand delivered claims submitted with appointments. Staff entered 5,528 claims into CAP claims tracking system and edited 4,308 claims. During the month of August there were 4,379 claims totaling over \$12.2 million that were paid to winners including annuity payments.

Executive Director Carey stated that checks that were mailed to players this week were for claims received during the period of August 3 and 13. It is taking approximately four to six weeks for players to get paid. Prior to the pandemic, it was taking three to four weeks to issue payments to a player.

Executive Director Carey invited Adam Perlow, Vice President and Chief Operating Officer of Northstar, to provide an update on Northstar activities. Mr. Perlow stated that we had a successful launch of the "Multiplier" family of games in September. He noted that those tickets are printed on foil and the point of sale and signage in stores is also printed on foil to match the ticket. Mr. Perlow thanked all of the New Jersey Lottery retailers that are social spaces, bars and restaurants specifically, for all they have done to continue Quick Draw sales. He explained that the Lottery is helping them by continuing to run promotions, specifically at bars and restaurants, with Northstar's Promotions and Sales team.

Mr. Perlow then discussed an upcoming Quick Draw promotion to be operated with the Pro Football Hall of Fame to award players with tickets to Pro Football's biggest game, which will be held in Los Angeles this year. The promotion will be offered as part of the Collect 'N Win program. Mr. Perlow added that the Lottery is continuing our partnership with the New York Jets and we have "Jets Island," in the parking lot at Met Life Stadium. The Island is a Lottery area where we hold promotions and give out prizes and merchandise.

Executive Director Carey concluded the Director's report and asked if there are any questions or comments.

Vice Chair Blazovsky asked what Lottery is doing to support retailers during and after the flooding that occurred in the state. She has seen some retailers that have been in the midst of extensive flooding. Executive Director Carey responded that there was flooding particularly in Somerset and Union Counties. The Lottery has been working with retailers, Northstar and the Lottery's Account Adjusters to collect tickets as efficiently as possible. Executive Director Carey added that Lottery has to have proper handling practices to protect Lottery staff who are handling returned and wet tickets and to protect the integrity of our warehouse.

Mr. Perlow added that the Sales team has been working closely with retailers who were affected. As retailers have reopened, IGT's field technicians were in those locations replacing and repairing equipment to get those retailers back up and running.

John White, Deputy Director of Finance, added that the Lottery Account Adjusters are working with retailers that are not ready to reopen to settle their accounts.

Executive Director Carey stated that we do not want to have the retailers being in a position where they think they have a liability for something that was damaged where they do not. We are working to settle their accounts as quickly as possible. Deputy Director White stated that Lottery waived late fees right after the storm to retailers who did not have the money in the bank on time.

Vice Chair Blazovsky thanked Executive Director Carey and stated that it is a messy process and she is glad to see that Lottery is helping the retailers and also protecting the employees. She stated that she is also glad to hear that Lottery is protecting the employees in the field as well as in the warehouse.

Chair D'Anton requested a motion to approve the Director's Report. Commissioner Leonard made the motion, which was seconded by Vice Chair Blazovsky.

## **NEW BUSINESS**

Executive Director Carey 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. Additionally, as part of our overall responsible gaming initiatives, these games have been reviewed to identify any problematic elements that could present a risk to vulnerable problem gamblers.

Chair D'Anton requested a motion to approve the Scratch-Off ticket game rules for "\$50 or \$100 Blowout" and "Red 7's Doubler."

"\$50 or \$100 Blowout" is a \$10 ticket, a ticket quantity to be printed of 3.6 million tickets, a top prize of \$100, a prize payout of 67%, and an anticipated on-sale date of March 7, 2022.

"Red 7's Doubler" is a \$5 ticket, ticket quantity to be printed is 4.8 million tickets, a top prize of \$200,000, a prize payout of 64% and an anticipated on-sale date of April 4, 2022.

Chair D'Anton asked if there were any questions or comments on these games. Commissioner Leonard made the motion, which was seconded by Investment Designee Terwilliger. Chair D'Anton asked if there were any questions or comments and there being none the motion carried.

**PUBLIC COMMENT**

There was no Public Comment.

**EXECUTIVE SESSION**

There was no Executive Session.

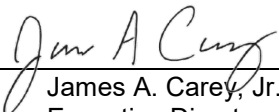
**ADJOURNMENT**

Chair D'Anton asked for a motion to adjourn the Public meeting. Commissioner Leonard made the motion, which was seconded by Investment Designee Terwilliger. 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 16, 2021.

IN WITNESS WHEREOF, I hereby set my hand on

the 13th day of October, 2021.

  
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James A. Carey, Jr.  
Executive Director