

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, FEBRUARY 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
Munr Kazmir, Vice Chairman (By Phone)
Al Alvarez, Commissioner (By Phone)
Robert D'Anton, Commissioner (By Phone)
Robert Slater, Commissioner (By Phone)
Thomas Tucci, Commissioner (By Phone)
Chris Jeter, Treasurer's Designee (By Phone)

Carole Hedinger, Executive Director
Chuck Tantillo, Deputy Executive Director
Jennifer Linett, Deputy Attorney General
Brandon Minde, Gov. Auth. Unit (By Phone)

STAFF

Regina Arcuri
Lou Cleary
Denise Coleman
Judy Drucker
Robert Kersey
Karen Kokoll
Foster Krupa
Steve Palmieri
Mary Ann Rivell
Margaret Square

VISITORS

Warren Broudy, Mercadien
Joan Mueller, Brushfire
Digesh Patel, Mercadien

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 January 19, 2012 Commission Meeting. Vice Chairman Kazmir made the motion, which was seconded by Commissioner Alvarez. 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 for the month of January totaled \$213.4 million, which represented a decrease of 3.4% over last year's monthly sales. She stated that the decrease in sales was due to Mega Millions because sales were \$14.5 million less than the prior year's sales.

Executive Director Hedinger stated that the daily games and the instant games are showing strong results. She stated that Pick 6 sales have been up this year about 5%. She stated that the efforts put into advertising Pick 6 jackpots and the couponing has paid off.

Treasurer Designee Jeter stated that the contribution to the State is -5.5% and asked if February sales put any dent in that -5.5%.

Executive Director Hedinger stated that she does not have those numbers available right now, but she can calculate it and get it to him later.

Executive Director Hedinger stated that the receipts and deposits for the month of January were \$200 million.

Executive Director Hedinger stated that we had 105 electronic fund transfer (EFT) failures during the month of January.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are \$15.8 million.

Executive Director Hedinger stated that our instant ticket sales have been strong in the last couple of weeks. She stated that the new "Win for Life" ticket is doing very well.

Executive Director Hedinger stated that advertising for the "Win for Life" game began in January and ran through the middle of February.

Executive Director Hedinger stated that the \$2 Powerball was launched in January with statewide advertising.

Executive Director Hedinger reported that New Jersey Lottery continues leading in the social media area. She stated that our Facebook continues to be one of the most popular Facebook pages in all the State Lotteries. She noted that as of this morning there are 49,315 fans on Lottery's Facebook.

Executive Director Hedinger stated that the mobile app was launched in January and we are in the final development of the entire mobile site. She noted that in order to have instant communication with people on their I-Phones, Smartphones, I-Pads, and to be able to tweet our messages to them, we need to have a mobile application.

Executive Director Hedinger reported that we conducted two "Win for Life" promotions at the Prudential Center in Newark.

Executive Director Hedinger stated that we will be getting 500 new Lottery machines around April 1 and we are getting new agents lined up and ready. She stated that we will also have 300 new instant ticket vending machines by the end of February and are identifying all the locations where they will be placed.

Executive Director Hedinger indicated that there were 119 security investigations and 120 random field inspections at retailer locations.

Executive Director Hedinger stated that there was a total of \$1,652.00 collected for the month of January through the efforts of the NJ Lottery and the Division of Taxation Joint Investigation Project. She stated that for FY'12 to date we have collected \$91,752.00 in back taxes.

Executive Director Hedinger stated that the final drawing for the Million Dollar Replay game was held in January.

Executive Director Hedinger noted that the VIP club has an enrollment of over 215,000 active members as of January. She stated that we recently did a clean up of those members to make sure that we could verify the age of all the members. She felt that the VIP Club base will be the spring board for registering people for eventual internet sales when we get to that point.

Executive Director Hedinger stated that the validation staff received and sorted over 3,000 claims during the month of January.

Executive Director Hedinger stated that there were 24 social security number matches between the files from the Departments of Human Services and Community Affairs and the Higher Education Student Assistance Authority and Lottery winners.

Executive Director Hedinger stated that all the Pool Closings and Drawings were held with no abnormalities.

Chairman Ragazzo asked if there were any comments and there being none asked for a motion to approve the Director's Report. The motion was made by Commissioner Tucci and seconded by Commissioner Slater. 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 Ragazzo requested a motion to approve the instant ticket game rules for "10X Cash." 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.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "\$100 Homers." Commissioner Slater made the motion which was seconded by Commissioner 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 "Father's Day." Commissioner Slater made the motion which was seconded by Commissioner 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 "Diner Doubler." Commissioner 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 "Starry Night." Commissioner Slater made the motion which was seconded by Commissioner D'Anton. Chairman Ragazzo 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 Ragazzo asked if there was any other business to be discussed and there being none, asked for a motion to adjourn. Commissioner Tucci 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 February 23, 2012.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ day of _____, 2012.

Carole Hedinger
Executive Director