

**NEW JERSEY STATE LOTTERY COMMISSION**

**PUBLIC MEETING, JULY 17, 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 (by phone)  
Frank Ragazzo, Vice Chairman (by phone)  
Robert D'Anton, Commissioner (by phone)  
Munr Kazmir, Commissioner (by phone)  
Robert Slater, Commissioner (by phone)  
Roger Cohen, Treasurer Designee (by phone)

Carole Hedinger, Executive Director  
John Custodio, Deputy Executive Director  
Roger Gibson, Deputy Attorney General  
Christopher Howard, Governor's Authority Unit (by phone)

**VISITORS**

Russ Knapp, Northstar  
Bill Murray, Northstar  
Kara Blakeslee, Lottery Intern

**STAFF**

Regina Arcuri  
Denise Coleman  
Duane Daniels  
Judy Drucker  
Janice Eckstein  
Karen Kokoll  
Jean Lin  
Dolores Matos  
Richard Pagnani  
Steven 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 June 19, 2014 Commission Meeting. Commissioner Slater 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.

**DIRECTOR'S REPORT**

Executive Director Hedinger stated that the sales for June totaled over \$236 million.

Executive Director Hedinger noted that the receipts and deposits for the month of June were \$203.6 million.

Executive Director Hedinger reported that there were 114 electronic fund transfer failures (EFT) that totaled \$298.4 thousand.

Executive Director Hedinger noted that the Accounts Receivable Unit settled or closed 66% of EFT fails from June.

Executive Director Hedinger reported that the balances in the unclaimed prize reserve accounts at the end of June are over \$28 million.

Executive Director Hedinger stated the current balances in the annuity investment accounts total \$213.8 million.

Executive Director Hedinger reported that the top three non-core instant games during the month were "50X Money", "\$150,000,000 Cash Spectacular" and "\$2,000,000 Mega Cash."

Executive Director Hedinger noted that core games made up approximately 37% of total instant sales.

Executive Director Hedinger stated that "Crossword," "Super Crossword" and "Quarter Million Crossword" contributed over \$23 million in sales for the month.

Executive Director Hedinger reported that the "Win For Life" family of games contributed over \$7.2 million in sales for the month of June.

Executive Director Hedinger stated that the three new games introduced in June were "Loose Change," "Gem 7s" and "\$250,000 Crossword."

Executive Director Hedinger noted that instant advertising activity consisted of in-store POS and digital advertising to support "\$150,000,000 Cash Spectacular" and "\$2,000,000 Mega Cash" during the month.

Executive Director Hedinger stated the CASH4LIFE game sales have grown with every drawing. We are doing better than anticipated in this game with sales averaging over \$2,000,000 per drawing.

Executive Director Hedinger reported that we are having discussions with other states about joining CASH4LIFE.

Executive Director Hedinger stated that our Facebook page continues to attract new fans.

Executive Director Hedinger noted that our social media has continued to increase in popularity.

Executive Director Hedinger reported that all drawings for the month of June were completed with no abnormalities.

Executive Director Hedinger noted that we are hosting the new CASH4LIFE draw game here in our studio every Monday and Thursday night.

Executive Director Hedinger stated that we were very active in June in Media Relations. We shot four television commercials for a Facebook contest with Pharrell Williams' song "Happy."

Executive Director Hedinger reported that we had a joint press event on June 13<sup>th</sup> with the New York Lottery to launch the CASH4LIFE game.

Executive Director Hedinger stated that we introduced Erica Young, daughter of Hela Young, as the new Lottery Hostess.

Executive Director Hedinger noted that there were a great number of press releases during the month of June.

Executive Director Hedinger reported that the top social media post for June was the \$20.1 million Pick-6 winning ticket sold in Ocean County.

Executive Director Hedinger noted that we continue to follow legislative activity.

Executive Director Hedinger reported that we have been very busy with Speaker Bureau Events, Public Events and Festivals.

Executive Director Hedinger stated that there were 142 security investigations initiated in June.

Executive Director Hedinger noted there were 124 random field inspections conducted last month.

Executive Director Hedinger reported that the Licensing Unit received and processed 114 applications. There were 123 licenses issued.

Executive Director Hedinger stated that there are 7,153 licenses issued as of June 30, 2014.

Executive Director Hedinger noted that we collected a total of \$19,290.42 for the month of June through our efforts with the Division of Taxation. The total collected year to date is \$77,550.98.

Executive Director Hedinger noted that the Operations Unit has been working with GTECH to get software written and loaded for the Monopoly Millionaires' Club.

Executive Director Hedinger stated that approximately 30 states will be involved in the game launch on October 19<sup>th</sup> for the Monopoly Millionaires' Club. Each state is drafting their own game rules; which will be presented at the August commission meeting.

Executive Director Hedinger reported that the Operations Unit ensured that the new CASH4LIFE game was coordinated with our internal control system to work effectively.

Executive Director Hedinger noted that the VIP Club increased its membership with 1,759 new registrations during the month of June. The enrollment is now at 274,693 active members. There is a yearly purge to eliminate incorrect email information.

Executive Director Hedinger stated that since inception of the Million Dollar Replay game on April 4, 2011, nearly 107,000 people have registered for the VIP club.

Executive Director Hedinger noted that since the Million Dollar Replay game began, we have had over 22 million entries.

Executive Director Hedinger reported that our website had over 4.9 million visits in June.

Executive Director Hedinger reported that the Validation Staff received and sorted over 4,100 claim forms and 277 walk-in claims during the month of June. They entered 4,320 claims into the system and edited 4,816 claims. Nearly 4,000 claims were paid totaling over \$11 million.

Executive Director Hedinger stated that the Instant Ticket Inventory Control Section updated the status of returned full and partial instant ticket packs from various instant games.

Executive Director Hedinger noted that there were 29 social security matches between our files and various agencies for arrearages.

Executive Director Hedinger stated that 16 claims were processed and garnished because of current and previous matches that total more than \$17,000.00. Since inception in 1992, we have collected nearly \$7 million for child support and various set off programs.

Executive Director Hedinger noted that the Retailer/Call Center Services Unit handled 3,096 calls during the month of June. They handled 669 winner claim status calls during the month, with 182 of these calls answered at the front desk.

Executive Director Hedinger reported that the facilities coordinator worked with Nexus to make certain the maintenance of the building was accomplished satisfactorily.

Executive Director Hedinger stated that Northstar now has a total of 120 employees.

Executive Director Hedinger reported that the number of active retailers is 6,883, which has increased from 6,378 on October 1, 2013 when Northstar began their operations.

Executive Director Hedinger noted that retailer expansion is key to growth and is moving along quite well.

Executive Director Hedinger reported that Northstar's sales team has been very active in promoting all the new games that were launched in June.

Executive Director Hedinger stated that Northstar continues to work with the low selling retailers.

Executive Director Hedinger noted that Northstar worked on Wawa POS and promotions to engage players.

Executive Director Hedinger reported that Northstar distributed CASH4LIFE POS materials.

Executive Director Hedinger noted that there was an "Ask for the Sale" promotion that ran from June 23<sup>rd</sup> through June 29<sup>th</sup> to get retailers involved with selling the CASH4LIFE game.

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

Chairman Tucci asked if there were any comments.

Vice Chairman Ragazzo asked about our participation at the New Jersey horse park festival. Executive Director Hedinger stated she will provide him with the information he requested.

Commissioner Slater asked about the FY 2014 audit and a discussion was held.

Chairman Tucci commended Northstar on the efforts they put into our advertising. Chairman Tucci is very impressed and thanks them.

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

**NEW BUSINESS**

There was no new business.

**PUBLIC COMMENT**

There was no public comment.

**EXECUTIVE SESSION**

There was no Executive Session.

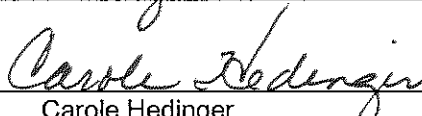
**ADJOURNMENT**

Chairman Tucci adjourned the meeting.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the minutes of the New Jersey Lottery Commission meeting held on July 17, 2014.

IN WITNESS WHEREOF, I hereby set my hand on

the 28<sup>th</sup> day of August, 2014.

  
Carole Hedinger  
Executive Director