

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, JANUARY 19, 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
Thomas Tucci, Commissioner
Chris Jeter, Treasurer's Designee

Carole Hedinger, Executive Director
Chuck Tantillo, Deputy Executive Director
Clifford Rones, Deputy Attorney General
Jennifer Linett, Deputy Attorney General
Brandon Minde, Governor's Auth. Unit

STAFF

Regina Arcuri
Lou Cleary
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Robert Kersey
Karen Kokoll
Foster Krupa
Jean Lin
Steve Palmieri
Margaret Square

VISITORS

Joan Mueller, Brushfire
Matt Oaf, Mercadien
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 introduced Deputy Attorney General Cliff Rones and Deputy Attorney General Jennifer Linett. He stated that DAG Linett has been assigned to Lottery.

Chairman Ragazzo requested a motion to approve the minutes of the December 15, 2011 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 December totaled \$246 million, which represented an increase of 4.7% over last year's monthly sales. She stated that this month our sales were on budget. She stated that overall we are 1.3% ahead of last year.

Executive Director Hedinger stated that the receipts and deposits for the month of December were \$214 million.

Executive Director Hedinger stated that we had 81 electronic fund transfer (EFT) failures during the month of December and most of them have been collected.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are \$15 million.

Executive Director Hedinger stated that our instant games had a record week of sales in December of \$32.6 million.

Executive Director Hedinger stated that the Holiday Instant games were advertised throughout the month of December.

Executive Director Hedinger stated that the online product sales saw some significant increases during December. She stated that Pick 3 had a 1.86% increase which reversed a decline in prior months. She stated that the promotion we had on Pick 4 lifted the Pick 3 sales.

Executive Director Hedinger stated that the Pick 4 sales increased for the third month in a row by 5%.

Executive Director Hedinger stated that there were also some increases in sales with our Pick 6 game because of a promotion done with that game.

Executive Director Hedinger reported that as of this morning there are over 40,000 fans on Lottery's Facebook. She stated that we did do a little housecleaning and took a couple of hundred fans off that we determined were not of the proper age.

Executive Director Hedinger stated that our Smartphone app has been approved by Apple and is now downloadable.

Executive Director Hedinger stated that an internal effort is underway to boost the number of Twitter followers. She stated that we now use an automated third party to tweet a link to our website for winning numbers. She stated that we are trying to develop with OIT the ability to automatically tweet those winning numbers.

Executive Director Hedinger stated that we are getting a lot of additional press through the efforts of our Public Relations Manager Judy Drucker in local Patch sites. She stated that Patch is a new way that people are spreading news about their towns on a very local level. She stated that people log on to their town patch to get the local news.

Executive Director Hedinger stated that the Lottery retailer count for December is 6,139. There are however over 6300 licensed Retailers. She stated that the sales staff spent a lot of time in December briefing the retailers on the \$2.00 Powerball game that just started this Sunday. Executive Director Hedinger noted that the draw sales since Sunday were approximately \$1.6 million and compared to the comparable draw days the week before which were under \$1 million, we have seen better than a 60% increase in sales.

Executive Director Hedinger stated that we started the Lucky Lottery Store program during December. She stated that the sales staff delivered posters to retailers announcing the jackpots won in their stores for prizes of \$10,000 and higher.

Executive Director Hedinger indicated that there were 121 security investigations and 91 random field inspections at retailer locations.

Executive Director Hedinger reported that there was a total of \$2,257.96 collected for the month of December through the efforts of the NJ Lottery and Division of Taxation Joint Investigation project.

Executive Director Hedinger noted that the VIP club has an enrollment of 211,469 active members as of December.

Executive Director Hedinger stated that on January 24 the winners from the Million Dollar Replay Drawing will be announced.

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 Alvarez. The motion carried.

The Commissioners viewed the Powerball commercials for the new \$2.00 game.

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 "Loteria." Commissioner Tucci 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 "Cash Farmer." Commissioner Tucci 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 "\$50 Blossom." Commissioner Tucci 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 "X's and O's to Mom." Commissioner Tucci made the motion which was seconded by Commissioner Alvarez. 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 Alvarez. 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 January 19, 2012.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ day of _____, 2012.

Carole Hedinger
Executive Director