

## NEW JERSEY STATE LOTTERY COMMISSION

### PUBLIC MEETING, JULY 18, 2019

Chairman D'Anton called the Commission meeting into session at 10:00 a.m. in the Lottery Office located at One Lawrence Park Complex, Lawrenceville, New Jersey.

#### COMMISSION MEMBERS PRESENT

Robert D'Anton, Chairman  
Marilyn Blazovsky, Commissioner  
Gary Terwilliger, Division of Investment Designee  
(by phone)  
Dini Ajmani, Treasurer's Designee

James A. Carey, Jr., Acting Executive Director  
George Loeser, Deputy Attorney General  
Brian Wilton, Governor's Auth. Unit

#### VISITORS

Russ Knapp, Northstar  
Sam Fromkin, Northstar  
Erica Helms, Northstar  
Foster Krupa, Northstar  
Adam Perlow, Northstar  
Jon Renner, MSI  
Desiree Maurin, MSI  
Nicole Lobkowicz, PureRed

#### STAFF

Regina Arcuri  
Fran Edwards  
Jerry Guarino  
Dean Ialacci  
Robert Kersey  
Kalliopi Kostis  
Daniel O'Brien  
Richard Pagnani  
Steven Palmieri  
Debbie Raub  
Margaret Square  
John White

After the Pledge of Allegiance, Chairman 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.

Chairman D'Anton requested a motion to approve the minutes of the June 20, 2019 Commission meeting. Chairman D'Anton stated that a question asked at last month's meeting was omitted from the minutes. The question was regarding enhancing the "Pick-3" game and the expected completion of a study concerning the game. Russ Knapp, General Manager of Northstar, stated that Northstar will have that study completed by the end of September. Commissioner Blazovsky made a motion to approve the minutes of the June meeting, which was seconded by Treasurer's Designee Ajmani. Chairman D'Anton asked if there were any comments and there being none, the motion carried.

#### DIRECTOR'S REPORT

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

All games total sales were: \$273.5 million  
Lotto games total sales were: \$37.9 million  
Daily machine games total sales were: \$84.4 million  
Scratch Off Tickets total sales were: \$151.1 million

As of the end of June, year to date total sales were \$3.482 billion, an increase of 5.5% compared to sales at the end of June 2018.

The monthly contribution to Pension Fund L was \$85.5 million and the year to date contribution was \$1.060 billion, which is a 7.5% increase over the prior year. The final contribution will not be made until the audit is complete in the fall.

Acting Executive Director Carey stated that Quick Draw had actual FY19 sales of \$129 million, which was an increase of 143%. The game was introduced in 2018 with a limited network. In October, Quick Draw was able to be sold to the entire retail network and the number of draws went from once every 5 minutes to once every 4 minutes. Acting Executive Director Carey reported that Quick Draw appeared to be gaining traction in retail stores. Acting Executive Director Carey stated that in July he had an opportunity to spend a day with Lottery Sales Representative, Tom Dlug, from Northstar. Acting Executive Director Carey thanked Mr. Dlug and Northstar for accommodating him on the day of sales calls.

The three top selling non-core games for June were "\$5,000,000 Lucky 7's," which generated \$11.6 million in sales, "\$90,000,000 Platinum Payout," which generated \$6.7 million in sales and "\$3,000,000 Cash Out," which generated \$6.6 million in sales.

Total sales for Core and Family Games for the month were more than \$86 million. The "Crossword" family of games had \$31.6 million in sales, "Lucky 7's" family of games had \$26.3 million in sales and the "Precious Metals" family of games had \$16.8 million in sales.

Acting Executive Director Carey noted that the three new games introduced in June were "Summer Lucky Times 10," "7s" and "Cash Blast." These games made up over \$11 million in sales.

Acting Executive Director Carey reported that the four new instant games were launched on July 1: "Emerald 8s," "High Card Poker," "Super Triple 777s" and "200X the Money Bonus."

Acting Executive Director Carey stated that the four new instant games to be launched on August 5: "Tic Tac Toe Doubler," "\$25,000 Cash Lines," "\$100,000 Bingo Multiplier" and "Power 5s."

Acting Executive Director Carey reported that there were a number of high tier winners throughout the state in June. Jersey Cash 5 had a \$1.6 million winner in Bergen County on June 8. CASH4LIFE had one \$1,000 a Week for Life winner in Monmouth County on June 24. Mega Millions had one \$1 million winner in Somerset County on June 25. During the month, there was a \$1 million winner in Gloucester County on the instant game "Lucky 7s."

Acting Executive Director Carey noted that the New Jersey Lottery VIP Club increased its membership with 3,658 new registrations during the month of June. The VIP Club now has an enrollment of 493,872 active members.

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

Acting 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.

Acting Executive Director Carey noted that on June 4 there was a release "Lottery Win Saves Student from Summer Job." The press release received extensive coverage.

Acting Executive Director Carey reported that there were 154 security investigations initiated in June. There were 156 investigations were closed. There were 163 open investigations at the end of the month.

Acting Executive Director Carey stated that the CASH4LIFE machines were modified, tested and adjusted to use foam balls, replacing the previously used rubber balls. They were successfully used in production on June 10. The cost of the new foam balls is a shared expense with the CASH4LIFE states.

Acting Executive Director Carey noted that Northstar's personnel count at the end of June totaled 143 employees.

Acting Executive Director Carey reported that the total number of active retailers is 7,204.

Acting Executive Director Carey stated that Northstar completed interviews and an audit with GLI on the WLA Level 4 recertification application. Northstar put in a significant effort to get this accomplished.

Acting Executive Director Carey invited Russ Knapp, General Manager of Northstar, to speak. Mr. Knapp stated that he will be retiring at the end of the month. He introduced Adam Perlow, who will be succeeding Mr. Knapp as Northstar's General Manager.

Acting Executive Director Carey thanked Mr. Knapp for his service to the New Jersey Lottery.

Acting Executive Director Carey concluded the Director's Report.

Acting Executive Director Carey asked if there were any questions or comments.

Commissioner Blazovsky wanted to thank the staff for the increase in revenues of Lottery for the year. She thanked the Finance Department on their reports. They are excellent and a lot of work goes in to these.

Chairman D'Anton requested a motion to approve the Director's Report. Treasurer Designee Ajmani made the motion which was seconded by Investment Designee Terwilliger.

### **NEW BUSINESS**

Acting 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 the Lottery's overall responsible gaming initiatives, these games were reviewed to identify any problematic elements that could present a risk to vulnerable problem gamblers.

Chairman D'Anton requested a motion to approve the instant ticket game rules for "Birthday Surprise," "Bingo Gold," "Diamond Riches" and "Win For Life." Treasurer Designee Ajmani made the motion which was seconded by Investment Designee Terwilliger. Chairman D'Anton asked if there were any comments and there being none the motion carried.

Acting Executive Director Carey stated that the election of officers will take place and asked for a nomination for Chair of the Lottery Commission. Treasurer Designee Ajmani nominated Robert D'Anton, which was seconded by Commissioner Blazovsky. Chairman D'Anton asked if there were any comments and there being none asked for a roll call vote.

Robert D'Anton	Yes
Marilyn Blazovsky	Yes
Gary Terwilliger	Yes
Dini Ajmani	Yes

Acting Executive Director Carey stated that the motion carried and stated that Robert D'Anton has been elected Chair of the New Jersey Lottery Commission.

Acting Executive Director Carey asked for a nomination for Vice Chair of the Lottery Commission. Treasurer Designee Ajmani nominated Marilyn Blazovsky, which was seconded by Chairman D'Anton. Acting Executive Director Carey asked if there were any comments and there being none asked for a roll call vote.

Robert D'Anton	Yes
Marilyn Blazovsky	Yes
Gary Terwilliger	Yes
Dini Ajmani	Yes

Acting Executive Director Carey stated that the motion carried and Marilyn Blazovsky has been elected Vice Chair of the New Jersey Lottery Commission.

Chairman D'Anton asked if there were any comments or questions.

**PUBLIC COMMENT**

There was no Public Comment.

**EXECUTIVE SESSION**

There was no Executive Session.

**ADJOURNMENT**

Chairman D'Anton asked for a motion to adjourn the Public meeting. Treasurer Designee Ajmani made the motion which was seconded by Commissioner Blazovsky. 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 July 18, 2019.

IN WITNESS WHEREOF, I hereby set my hand on

the 12<sup>th</sup> day of August, 2019.

  
James A. Carey, Jr.  
Acting Executive Director