NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, DECEMBER 18, 2014

Chairman Tucci called the Commission meeting into session at 9:00 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 Slater, Commissioner (by phone)
Patrick Toscano, 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 Authorities Unit (by phone)

STAFF

Regina Arcuri
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Janice Eckstein
Karen Kokoll
Dolores Matos
Richard Pagnani
Steven Palmieri
Deborah Raub
Mary Ann Rivell
Margaret Square

VISITORS

Foster Krupa, GTECH
Bill Murray, Northstar
Elise Young, Bloomberg News

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 November 18, 2014 Commission Meeting. Commissioner Toscano made the motion, which was seconded by Vice Chairman Ragazzo. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the minutes of the December 10, 2014 Special Commission Meeting. Commissioner Toscano made the motion, which was seconded by Vice Chairman Ragazzo. Chairman Tucci asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger noted that we have seen an improvement in sales. The sales in November were higher due to a rolling Mega Millions jackpot.

Executive Director Hedinger stated that receipts and deposits for the month of November were $210 million.

Executive Director Hedinger reported that the cumulative outstanding accounts receivable remains unchanged.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts for November are more than $10 million.

Executive Director Hedinger noted that the balances in the annuity investment accounts total $200 million. They decline every month because people do not choose the annuity option as often.

Executive Director Hedinger reported that instant sales continue to remain very strong. They represent most of the major growth in sales for the year.

Executive Director Hedinger stated that we introduced five new holiday games in November.

Executive Director Hedinger noted that in November we had our first CASH4LIFE top prize winner in New Jersey. New York has had two top prize winners so far.

Executive Director Hedinger reported that we also had the top prize winner in the Monopoly Millionaires' Club game last month.

Executive Director Hedinger stated that our social media continues to grow. In January, we will see Northstar's plan for taking over our social media.

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

Executive Director Hedinger noted that all pool closings were closed with no abnormalities.

Executive Director Hedinger stated that there were a great number of press events that took place in November.

Executive Director Hedinger reported that we held a press conference at Lottery Headquarters with our Monopoly Millionaires' Club winner.

Executive Director Hedinger stated that we continue to work with the Council on Compulsive Gambling of New Jersey to discourage gifting of Lottery tickets to minors.

Executive Director Hedinger reported that we continue to follow legislation that could affect us. In Washington, there was no add-on to the Omnibus bill that would prevent states from conducting its own Internet lottery gambling.

Executive Director Hedinger noted that there were a number of events that we took part in during November.

Executive Director Hedinger stated that there were 96 security investigations initiated in November.

Executive Director Hedinger reported there were 112 random field inspections conducted last month.

Executive Director Hedinger noted that the Licensing Unit received and processed 80 applications. There were 80 licenses issued.

Executive Director Hedinger stated that there are 7,249 licenses issued as of November 30, 2014.

Executive Director Hedinger reported that we collected a total of $2,675.03 for the month of November through our efforts with the Division of Taxation. The total collected for this fiscal year is $11,493.68.

Executive Director Hedinger noted that we have completed the new Claims and Payment System. This system was developed and installed by Northstar to make the processing of winner claims and payments more efficient. That implementation was successfully done after several months of hard work by our staff.

Executive Director Hedinger stated there were no issues with our warehouse or facilities units.

Executive Director Hedinger noted that our Retailer call center handled their normal calls.

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

Chairman Tucci asked if there were any questions or comments.

Chairman Tucci asked about our Social Media being handled by Northstar and a discussion was held.

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

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 Tucci requested a motion to approve the 2015 Meeting Schedule. Vice Chairman Ragazzo made the motion which was seconded by Commissioner Toscano. Chairman Tucci asked if there were any comments and there being none the motion carried

Chairman Tucci requested a motion to approve the instant ticket game rules for "Gold Bar Bingo." Vice Chairman Ragazzo made the motion which was seconded by Commissioner Toscano. Chairman Tucci asked if there were any comments and there being none the motion carried.

Chairman Tucci requested a motion to approve the revisions to the Million Dollar Replay Program rules. Commissioner Slater made the motion which was seconded by Vice Chairman Ragazzo. Chairman Tucci 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 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 December 18, 2014.

IN WITNESS WHEREOF, I hereby set my hand on

the 21st day of January, 2015.

Carole Hedinger
Carole Hedinger
Executive Director