NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, JANUARY 17, 2013

Chairman Ragazzo 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
Frank Ragazzo, Chairman
Thomas Tucci, Vice Chairman
Munr Kazmir, Commissioner (by phone)
Robert Slater, Commissioner
David Ridolfino, Treasurer Designee (by phone)

Carole Hedinger, Executive Director
John Custodio, Deputy Executive Director
Kellie Pushko, Deputy Attorney General
Kerstin Sundstrom, Gov's Auth. Unit

STAFF
Lou Cleary
Denise Coleman
Duane Daniels
Michael DeCheser
Judy Drucker
Janice Eckstein
Robert Kersey
Karen Kokoll
Foster Krupa
Jean Lin
Steve Palmieri
Mary Ann Rivell
Margaret Square

VISITORS
Joan Mueller, Brushfire
Joe Tyrrell
Mike Linhorst, The Record

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 December 20, 2012 Commission Meeting. Vice Chairman Tucci made the motion, which was seconded by Commissioner Kazmir. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

Chairman Ragazzo welcomed Kerstin Sundstrom of the Governor's Authorities Unit.

DIRECTOR'S REPORT

Executive Director Hedinger stated that the sales for the month of December totaled $232.72 million which revealed a decrease compared to December 2011 sales. She stated that she felt we were still suffering a little from post Sandy stress. She stated that, however, our year to date sales compared to FY 2012 are up 3.2%.

Executive Director Hedinger stated that the receipts and deposits for the month of December were $209.5 million.

Executive Director Hedinger stated that there were 95 Electronic Fund Transfer failures during the month of December.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are over $12 million.

Executive Director Hedinger stated that the current balances in the annuity investment accounts total $288 million.

Executive Director Hedinger stated that the Instant ticket sales for the week ending December 26, 2012 were a new record of $34,622,285 which exceeded last year's record by more than 6%.

Executive Director Hedinger stated that the non-core instant game sales during December were over $26 million and the core game sales were over $46 million.

Executive Director Hedinger stated that advertising to support the Holiday Instant Games continued through December 25th.

Executive Director Hedinger stated that Lottery Facebook continues to be one of the most popular Facebook pages in all the State Lotteries with over 73,000 likes.

Executive Director Hedinger reported that a Holiday sweepstakes took place during the month of December in which those wishing to enter had to be a fan of at least one of the NJ Lottery social media platform.

Executive Director Hedinger noted that there was a lot of press coverage during the month of December and was all very positive. She stated that she did interviews leading up to the live coverage of the Lottery's Live Draw Television Launch.

Executive Director Hedinger stated that a joint press release with the Council on Compulsive Gambling to discourage the gifting of lottery tickets to minors was distributed.

Executive Director Hedinger reported that two Lottery district office supervisors retired at the end of December. She stated that Bruce Biroc worked 37 years and Ken Inman worked 25 years for the Lottery. She stated that the four district offices have been consolidated and are being supervised by two sales supervisors.

Executive Director Hedinger stated that the Jersey Cash 5 bonus raffle promotion ended in December and was very successful.

Executive Director Hedinger stated that we are still dealing with all of the 7-Eleven stores by getting their jackpot signage installed.

Executive Director Hedinger reported that there were 111 security investigations and 135 random field inspections during the month of December.

Executive Director Hedinger stated that there was a total of $6,818.63 collected for the month of December through the efforts of the NJ Lottery and the Division of Taxation Joint Investigation Project. She noted that the total collected for FY'13 to date is $30,206.20.

Executive Director Hedinger stated that work is being done to develop a new section on our website which will consist of an archive of press releases and photographs. She stated that we also completed a new web page on the televised evening drawings.

Executive Director Hedinger stated that the VIP Club increased its membership with over 3,000 new registrations during the month of December. She stated that the VIP Club has an enrollment of 242,114 active members.

Executive Director Hedinger reported that the Validation Staff received over 2,800 claim forms during the month of December and there were 18 social security matches between our files and various agencies for arrearages.

Executive Director Hedinger noted that all drawing and pool closings were held in accordance to established procedures with no abnormalities.

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

Chairman Ragazzo asked if there were any comments on the Director's Report.

Commissioner Slater asked when we would have the 7-Eleven sales results from the jackpot signage.

Executive Director Hedinger stated that the signs are just beginning to be installed and we usually do a 13-week measurement. She stated that as soon as she can compile information she will bring that information to the Commissioners.

Chairman Ragazzo asked if there were any other comments on the Director's Report and there being none asked for a motion to approve the Director's Report. Commissioner Slater made the motion which was seconded by Commissioner Kazmir. 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 "Casino Multiplier." Commissioner Slater made the motion which was seconded by Commissioner Kazmir. 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 "Double Bubble Bingo." Commissioner Kazmir 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 "Father's Day." Commissioner Kazmir made the motion which was seconded by Commissioner Slater. 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 stated that there being no action needed on the presentation of the new radio commercial he asked for a motion to adjourn the meeting. Commissioner Tucci made the motion which was seconded by Commissioner Slater. 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 17, 2013.

IN WITNESS WHEREOF, I hereby set my hand on

the 21st day of February, 2013.

Carole Hedinger

Carole Hedinger
Executive Director