



State of New Jersey

DEPARTMENT OF THE TREASURY

DIVISION OF LOTTERY

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CHRIS CHRISTIE
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ANDREW P. SIDAMON-ERISTOFF
State Treasurer

CAROLE HEDINGER, CPA
Executive Director

TO: ANDREW P. SIDAMON-ERISTOFF
STATE TREASURER

FROM: CAROLE HEDINGER, CPA
EXECUTIVE DIRECTOR

DATE: JANUARY 27, 2014

SUBJECT: SIGNED COMMISSION MINUTES

Enclosed please find the signed Commission Minutes from the December 19, 2013 meeting that were approved by the Lottery Commission on January 23, 2014.

c: Regina Egea, Governor's Authorities Unit
emailed: Digesh B. Patel at dpatel@mercadien.com

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, DECEMBER 19, 2013

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
Frank Ragazzo, Vice Chairman
Robert D'Anton, Commissioner
Robert Slater, Commissioner
Roger Cohen, Treasurer Designee

Carole Hedinger, Executive Director
John Custodio, Deputy Executive Director
Roger Gibson, Deputy Attorney General
Aimee Manocchio-Nason, Deputy Attorney General
Kerstin Sundstrom, Governor's Auth. Unit (by phone)

STAFF

Regina Arcuri
Duane Daniels
Michael DeCheser
Judy Drucker
Janice Eckstein
Karen Kokoll
Jean Lin
Steve Palmieri
Debbie Raub
Mary Ann Rivell
Margaret Square
Fran Lioudis

VISITORS

Lou Cleary, Northstar
Russ Knapp, Northstar
Gordon Medenica, Northstar
Bill Murray, Northstar
John Leonardi, Brushfire
Mike Linhorst, Bergen Record

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 19, 2013 Commission Meeting. Commissioner Ragazzo made the motion, which was seconded by Commissioner Slater. Chairman Tucci asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger stated that November completed the second full month with Northstar NJ, in terms of Sales and Marketing.

Executive Director Hedinger reported that sales appear to be less for November 2013 in comparison to November 2012; there is a distortion because of the very large Powerball jackpot that ran through November 2012.

Executive Director Hedinger stated that sales and profits are up.

Executive Director Hedinger noted all of our numbers games are up; there is healthy growth.

Commissioner Tucci asked if we will see this same skew next year because of the current Mega Million jackpot. Executive Director Hedinger stated that it is possible.

Commissioner Slater stated that he is concerned with instant games competing with on line gambling. Current findings of instant sales in light of on line gambling. Executive Director Hedinger stated it just begun and we will look at any possible effect on instant sales.

Vice Chairman Ragazzo asked about the \$55 million in Powerball sales. A discussion was held.

Commissioner D'Anton asked the percentage of Powerball sales. A discussion of how many million dollar winners we had during the run took place.

Executive Director Hedinger stated she is very optimistic about how sales are going this year. It has been a very smooth transition.

Executive Director Hedinger noted that the receipts and deposits for the month of November were almost \$175 million.

Executive Director Hedinger reported that there were 102 Electronic Fund Transfer failures during the month of November.

Executive Director Hedinger noted that the Accounts Receivable Unit settled 83% of the failures from October.

Executive Director Hedinger stated the Field Account Adjusters visited 252 retailers and collected \$220,000.00.

Executive Director Hedinger noted that the outstanding accounts receivable balance was \$3.1 million.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve accounts are \$9.8 million.

Executive Director Hedinger reported that the current balances in the annuity investment accounts total \$238 million.

Executive Director Hedinger stated that the three top non-core instant game sales during November were over \$13 million and the core instant game sales totaled more than \$56 million.

Executive Director Hedinger reported that the new "Win For Life" family of games sales during November were \$25.7 million.

Executive Director Hedinger noted that due to the combined launch of the four Holiday Instant games in October, there were no new instant games launched during the month of November.

Executive Director Hedinger reported that advertising to support the new Holiday instant games began November 29th and will run through the month of December.

Executive Director Hedinger stated that the on-line product activities included the finalized development for a Powerball Pro Football "Hall of Fame" promotion for December, in which players can win a trip to Ohio for the Hall of Fame induction in May.

Executive Director Hedinger noted that we are continuing to work on the Powerball Power Play enhancement that will begin in January.

Executive Director Hedinger reported that we now have more than 110,000 Lottery Facebook likes.

Executive Director Hedinger stated that the two most watched videos for the month of November were our "Behind the Ball: You've Won, Now What?" and our "Behind the Ball: Behind the Scenes of a New Jersey Lottery Television Commercial" videos.

Executive Director Hedinger noted that all of our social media outreach continues to grow.

Executive Director Hedinger stated that we had a special drawing on November 1st for a multi-state Halloween Raffle. There was also a special Retailer Incentive drawing held on November 12th.

Executive Director Hedinger noted that we were active with the Responsible play program. Our representative participated in a CCGNJ teleconference board meeting and we worked with their Executive Director to do a joint press release to discourage the gifting of lottery tickets to minors during the holiday season.

Executive Director Hedinger reported that we continue to monitor legislation that may affect the Lottery regarding the Anonymity Bill. The Bill was proposed and conditionally vetoed by the Governor a few months ago and we were asked to provide relevant information on states that have anonymity and the effects it could have on the NJL.

Commissioner Tucci asked how other states handle anonymity. Executive Director Hedinger stated four states have full anonymity, two have partial and all the others have no anonymity.

Executive Director Hedinger noted that we had a number of Speaker's Bureau Events during the month of November in various locations in the state.

Executive Director Hedinger stated that we participated in an event with a grand opening of a Wawa in Jackson to kick off Wawa's sale of lottery tickets.

Executive Director Hedinger reported that there were 118 security investigations and 71 random field inspections during the month of November.

Executive Director Hedinger noted that the Licensing Unit received and processed 113 applications and 106 licenses were issued.

Executive Director Hedinger stated that there are 6,772 licenses issued as of the end of November.

Executive Director Hedinger reported that we collected more than \$9,400 for the month of November through our efforts with the Division of Taxation. The total collected for FY14 is over \$31,000 for back taxes from retailers.

Executive Director Hedinger stated that the Operations Unit met with the Division of Property Management and Construction to aid us in reconfiguring office space for GTECH to occupy. We plan on giving up some of our leased space that the landlord will then lease to GTECH.

Executive Director Hedinger noted that the new pool closing room is completed; which is adjacent to the studio.

Executive Director Hedinger stated that the VIP Club increased its membership with 1,843 new registrations during the month of November and now has an enrollment of almost 266,000 active members.

Executive Director Hedinger noted that the Validation Staff received over 3,200 mail-in claim forms and 279 walk-in claim forms during the month of November. They entered more than 3,400 claims into our tracking system and edited over 3,800 claims for payment. There were 27 social security matches between our files and various agencies for arrearages. Twenty claims were processed and garnished because of matches. There were three released claims from previous matches. Since inception we have collected \$6,736,040.19 in set-off payments for various departments.

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

Executive Director Hedinger noted that the Retailer/Customer Call Center handled over 2,300 incoming calls during the month of November and made 355 outgoing call. They are actively engaged with player and retailer calls. They work very closely with Northstar's retailer call center to ensure a smooth flow of information between our organizations.

Executive Director Hedinger reported that the Warehouse staff conducted their normal trips to Motor pool, accepting and making deliveries, and courier runs.

Executive Director Hedinger stated that the Facilities Unit managed the tasks of keeping our facility running without any problems.

Executive Director Hedinger noted that she will now begin to include Northstar activities in the Director's Report.

Executive Director Hedinger reported that Northstar personnel count is now up to 107 employees; with 75 in Sales. They have incorporated the Lottery's sales personnel and increased it. They have 16 people in Marketing and 16 in other categories. They still have sales positions that need to be filled. The retailers will benefit from the additional services that extra Sales personnel will be able to provide. This will be one of the keys to success of this contract with Northstar.

Executive Director Hedinger stated that all key management positions reporting to the Vice President of Marketing have now been filled.

Executive Director Hedinger reported they continue to rollout the full self-serve vending machines at Wawa stores. As of November, 37 stores have been rolled out. All 240 will be completed by March.

Executive Director Hedinger noted that Northstar has met with representatives of Quick Chek and Hess to discuss marketing opportunities. Quick Chek does not want to go completely full self-service.

Executive Director Hedinger stated that Northstar is going to hold four Retailer Advisory Councils in January. Retailers will be chosen from a broad spectrum to get feedback in order to improve service.

Executive Director Hedinger noted that there are four After School Advantage winners that were selected. GTECH runs an after school advantage program where they outfit computer labs in various locations where there is need.

Executive Director Hedinger reported that there were eight applications made for these labs and four have been selected. They will start rolling them out in 2014. As they roll out, more information and pictures will be provided.

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

Chairman Tucci asked if there were any comments.

Commissioner D'Anton asked if all the retailers get visited. Gordon Medenica responded with details of how often each retailer is now seen.

Commissioner Slater suggested that retailers should attend a weekly sales training class on line. Executive Director Hedinger stated that NASPL 2014 is about the future of Lotteries. And technology like he suggested is something to discuss at the conference.

Commissioner Slater mentioned the Auditor's Financial Statements are behind. He suggested we get a timeline from Mercadien. Steve Palmieri stated that he will get a calendar from the Auditors.

Commissioner Slater questioned the status of on line purchase of lottery tickets. Executive Director Hedinger stated we are going to discuss that with Northstar in January.

Commissioner Slater suggested we look into "co-op" advertising. Executive Director Hedinger mentioned it was looked into years ago but will look into it again.

Commissioner Slater stated he would like us to make an announcement to VIP members to comfort the players on cyber security. Executive Director Hedinger said it will be looked into it.

Commissioner D'Anton questioned the amount of the advertising budget. Executive Director Hedinger and Gordon Medenica answered his questions.

Chairman Tucci asked how many new retailers were added. Executive Director Hedinger stated that in the month 106 were approved.

Chairman Tucci asked how many retailers we are able to have. Executive Director Hedinger explained how the ratio works in respect to population. (1 retailer-1,100 people)

Chairman Tucci requested a motion to approve the Director's Report. 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.

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 2014 Meeting Schedule. Vice Chairman Ragazzo 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.

Chairman Tucci requested a motion to approve the amended Retailer Bonuses. Commissioner D'Anton 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 instant ticket game rules for "7-11-21." Commissioner D'Anton 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 instant ticket game rules for "Silver, Gold, Platinum 7's." Commissioner D'Anton made the motion which was seconded by Commissioner Slater. 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 instant game "\$2 Million Mega Cash." Vice Chairman Ragazzo 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.

Chairman Tucci requested a motion to approve the instant ticket game rules for "Double Blackjack." 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.

Chairman Tucci requested a motion to approve the instant ticket game rules for "Fire & Ice." Commissioner D'Anton made the motion which was seconded by Commissioner Slater. 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 "Power Play Crossword." 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.

Chairman Tucci requested a motion to approve the revised rules for "Big Money Spectacular." Vice Chairman Ragazzo 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.

PUBLIC COMMENT

There was no public comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Chairman Tucci asked if there was any other business to be discussed and there being none, asked for a motion to adjourn. Commissioner Slater made the motion, which was seconded by Vice Chairman Ragazzo. The motion carried.

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 19, 2013.

IN WITNESS WHEREOF, I hereby set my hand on

the 23rd day of January, 2014.



Carole Hedinger
Executive Director



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF STATE LOTTERY

PO Box - 041

TRENTON, NEW JERSEY 08625-0041

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REPORT OF THE EXECUTIVE DIRECTOR DECEMBER 19, 2013

Total ticket sales for the month of December totaled \$231.7 million. A comparison to last year's total monthly sales for all products reveals a decrease of \$10.5 million or 4.4%.

MONTHLY TOTALS (\$ in Millions)

	SALES RESULTS					
	Actual		% Chg	FY 14 Budget		% Over -Under
	November-13	November-12		November-13	November-13	
Pick-6 Lotto (1)	\$ 6.47	\$ 5.03	28.6%	\$ 5.79	11.7%	
Mega Millions (1)	\$ 18.69	\$ 9.76	91.5%	\$ 18.95	-1.4%	
Powerball (1)	\$ 13.11	\$ 55.26	-76.3%	\$ 28.72	-54.4%	
Raffle Games	\$ 1.23	\$ -		\$ 10.00		
Lotto Games Total	\$ 39.50	\$ 70.05	-43.6%	\$ 63.46	-37.8%	
Pick-3	\$ 35.32	\$ 32.53	8.6%	\$ 35.51	-0.5%	
Pick-4	\$ 22.34	\$ 20.47	9.1%	\$ 22.59	-1.1%	
Jersey Cash 5	\$ 13.09	\$ 10.39	26.0%	\$ 11.92	9.8%	
Daily Mach. Games Total	\$ 70.75	\$ 63.39	11.6%	\$ 70.02	1.0%	
Instant Tickets	\$ 121.52	\$ 108.88	11.6%	\$ 126.17	-3.7%	
Daily Games Total	\$ 192.27	\$ 172.27	11.6%	\$ 196.19	-2.0%	
All Games Total	\$ 231.77	\$ 242.32	-4.4%	\$ 259.65	-10.7%	

FISCAL YTD TOTALS (\$ in Millions)

	SALES RESULTS					
	Actual		% Chg	Budget		% Over -Under
	FY 2014	FY 2013		FY 2014	FY 2014	
Pick-6 Lotto	\$ 29.81	\$ 26.84	11.1%	\$ 28.93	3.0%	
Mega Millions	\$ 67.97	\$ 57.03	19.2%	\$ 92.66	-26.6%	
Powerball	\$ 126.18	\$ 135.77	-7.1%	\$ 140.40	-10.1%	
Raffle Games	\$ 1.23	\$ -		\$ 10.00		
Lotto Games Total	\$ 225.19	\$ 219.64	2.5%	\$ 271.99	-17.2%	
Pick-3	\$ 182.59	\$ 174.84	4.4%	\$ 181.47	0.6%	
Pick-4	\$ 112.60	\$ 107.19	5.0%	\$ 112.42	0.2%	
Jersey Cash 5	\$ 61.21	\$ 53.41	14.6%	\$ 60.87	0.6%	
Daily Mach. Games Total	\$ 356.40	\$ 335.44	6.2%	\$ 354.76	0.5%	
Instant Tickets	\$ 603.79	\$ 568.13	6.3%	\$ 628.86	-4.0%	
Daily Games Total	\$ 960.19	\$ 903.57	6.3%	\$ 983.62	-2.4%	
All Games Total	\$ 1,185.38	\$ 1,123.21	5.5%	\$ 1,255.61	-5.6%	

STATE CONTRIBUTION (\$ in Millions)

	ACTUAL			FY 2014 BUDGET	
	November-13	November-12	% Chg	November-13	% Over -Under
Monthly	\$ 71.02	\$ 84.60	-16.1%	\$ 86.49	-17.9%
	FY 2014	FY 2013	% Chg	FY 2014	% Over -Under
FY YTD	\$ 383.04	\$ 377.74	1.4%	\$ 405.96	-5.6%

(1) Avg. Jackpots	November-13	November-12	FY 2014	FY 2013
Pick 6 (mm)	\$9.7	\$3.4	\$5.2	\$2.9
Mega Millions (mm)	\$151.4	\$26.3	\$80.0	\$37.5
Powerball (mm)	\$77.0	\$247.7	\$132.8	\$135.9

I. FINANCE

Receipts and deposits for the month of November were \$174.8 million.

For the month there were 102 electronic fund transfer (EFT) failures totaling \$377.6 thousand or .21% of total receipts and deposits. The Accounts Receivable Unit settled or closed 83% of EFT failures from October. Field Account Adjusters visited 252 retailers of which 44 visits resulted in the collection of \$220 thousand.

The cumulative outstanding accounts receivable balance as of November, 2013 was \$3.1 million. Total amount of bad debt reserve is \$2 million.

The balances in the unclaimed prize reserve accounts as of November, 2013 are as follows:

Game	Amount
Pick 3	\$ 812,724
Pick 4	\$ 1,686,958
Instant Match – Pick 3	\$ 24,436
Instant Match – Pick 4	\$ 36,908
Instant Match – Pick 5	\$ 16,317
Jersey Cash 5	\$ 712,651
Pick 6 Lotto	\$ 276,314
Mega Millions	\$ 638,461
Powerball	\$ 3,012,613
Instant Games	\$ 2,584,654
Total	\$ 9,802,036

Current balances in annuity investment accounts total \$238 million. The names, ratings and percentage of portfolio for each insurance company and US Treasury bonds are provided below. S&P ratings have not changed since last month.

Insurance Company (Alphabetical Order)	Current S&P Financial Strength Rating *	% of Portfolio
Metropolitan Life	AA-	11.28%
Mutual of America	AA-	3.01%
New York Life	AA+	15.0%
Ohio National Life	AA-	27.92%
Protective Life	AA-	14.94%
Prudential Life	AA-	1.06%
Sun Life Assurance	BBB	9.79%
US Treasury Bonds	N/A	17.0%
* S&P = Standard & Poor's		100.00%

II. MARKETING & ADVERTISING

1. Instant Product Sales Report

- The top three selling non-core games during the month were, "Merry Millionaire" (\$10) with \$5.5 million in sales, "20X Cash" (\$20) with \$4.1 million in sales, and "Season's Gold" (\$5) with \$3.6 million in sales.
- Core Games made up about 47% of total Instant sales with "Crossword" and "Super Crossword" and "Quarter Million Crossword" contributing over \$25 million in sales for the month, followed by "Big Money Spectacular" with \$13.7 million and "\$100,000,000 Spectacular" (\$10) with over \$10.2 million and "Diamond Spectacular" (\$20) with \$5.4 million and "Bingo" with \$2.1 million in sales.

- The new Win for Life Family of games contributed over \$12 million in sales for the month with "Win \$2,500 a Week for Life" (\$5) contributing over \$5 million in sales, "Win \$1,000 a Week for Life" (\$2) with \$4.6 million in sales and "Win \$500 a Week for Life" (\$1) with \$2.6 million in sales. The original \$3 "Win for Life" game also contributed over \$1.5 million in sales this month to the new family of games.

2. Instant Product Activities

- Due to the combined launch of the four holiday Instant games on October 28, 2013, no new Instant games were launched during the month of November.
- Instant Game Development and Production
 - Two new games were presented for commission rule approval and subsequent vendor production.

3. Instant Game Advertising Activities

- Advertising to support the Holiday Instant games began on November 29th and will run through the month of December. Advertising included: 30 second TV commercial, 30 second radio spot, 30-sheet Billboards, Digital Billboards, Vinyl Billboards, King Bus Posters, Junior Bus Posters, Transit Platforms, Transit Shelters, 8-sheet Billboards, Holiday Static Mail Posters, Digital Mail Posters, ESMM and NJ Lottery homepage animation and Internet banners. In-store point of sale at retail locations included a Counter Card, Window Cling, Gift Envelopes, and a Holiday Ticket Dispenser Insert and Dispenser Topper.

4. Online Product Activities

- Finalized development and preparations for a Powerball Pro Football "Hall of Fame" promotion for December in which players can enter non-winning tickets into a second chance drawing for a chance to win a trip for four to the Hall of Fame induction ceremonies in Ohio
- Continued planning for a Powerball Power Play enhancement scheduled for January 2014

5. Social Media

Facebook

- 110,341 "Likes" as of the end of November
- NJ continues to be one of the most popular (number of fans) Facebook page of all state lotteries
- A viral, interactive promotional game for Win For Life Instant Games keeps players engaged
- Interactive, positive response to our New Jersey Halloween Millions Raffle \$1,000,000 winner

You Tube (youtube.com/newjerseylottery)

- The two most watched videos for the month of November were "New Jersey Lottery, Behind the Ball: You've Won, Now What?" and "Behind the Ball: Behind the Scenes of a New Jersey Lottery Television Commercial"
- Total views during 11/1/13 – 11/30/13: 3,638 views
- Total views of our channel: 228,236 views

Twitter

Followers as of 10/31/13: 5,225
 Followers as of 11/30/13: 5,244

- Using an automated third-party application, a link is tweeted out to the NJ Lottery mobile website with the winning numbers for each Number Draw Game

6. Drawings

- All drawings were completed with no abnormalities for the month of November

Special Drawings to include Special Promotions and/or Retailer Promotions

- November 1st – Multi State Halloween Raffle Final Draw
- November 12th – Northstar “Win For Life” Retailer Incentive Drawing

III. MEDIA AND PUBLIC RELATIONS, EVENTS AND LEGISLATIVE ACTIVITIES

➤ Press Coverage and Releases

Press Releases Issued

- Daily Game Releases for all online games
- 11/01 Expiring Mega Millions and Powerball Tickets release
- 11/04 New Jersey Lottery Ticket Wins \$1,000,000 Halloween Raffle Grand Prize
- 11/22 Wawa and New Jersey Lottery Officials Celebrate with Announcement of Statewide Partnership
- 11/26 Million Dollar Halloween Raffle Winners Claim Prize at Lottery Headquarters
- 11/27 Lottery Discourages Gifting of Lottery Tickets to Minors which received broad media coverage

➤ Customer Relations

- The PIO Team handles daily interaction with the lottery playing public listening to their concerns and recommendations, solving problems and providing information and explanations of Lottery programs and processes. These interactions occur via phone, email, written correspondence and in-person
- Meet all game winners that come to Headquarters for interview, photo and story

➤ Responsible Play Program

- 11/20 Participated in CCGNJ Teleconference Board Meeting
- Finalized, secured approvals and disseminated NJL/CCGNJ joint press release to discourage the gifting of lottery tickets to minors
- Worked with CCGNJ Executive Director on Council's December meeting agenda

➤ Legislative

- Comprehensive, long-term project reviewing the proposed Anonymity Bill was delivered to the Treasury Department with Lottery recommendations
- Continued monitoring legislative and news websites; updated legislative files
- Participated in bi-weekly legislative briefing meetings with Deputy Executive Director
- Worked with CCGNJ Executive Director on casino/gambling legislation and tracking list

➤ Speaker's Bureau Events Completed in October

- 11/04 @ 1:00 pm – Scotch Plains AARP #1437, Scotch Plains
- 11/12 @ 1:15 pm - Saints Peter & Paul Seniors Club, Sewell
- 11/20 @ 1:30 pm – Ladies Club of Springfield Presbyterian Church, Springfield

➤ **Public Lottery Events Completed in November**

- November 22 – Wawa and Lottery Statewide Partnership Celebration event held at new Wawa store in Jackson. Successful, cooperative planning, writing and execution for the event between Lottery and Wawa public relations departments and Northstar's promotions department.
- The Lottery was represented by Carole Hedinger and Lottery Beneficiaries Charles Robbins, Assistant to the Deputy Commissioner for Veterans Affairs & Outreach Coordinator and Dr. Jon Larson, President, Ocean County College.

➤ **Upcoming Lottery Events**

- Mega Millions Jackpot Awareness Press Event for December 5th

IV. SECURITY

- There were 118 security investigations initiated by this unit.
- There were 71 random field inspections conducted of retailer locations.
- The Licensing Unit received and processed 113 applications. There were 106 licenses issued.
- There are 6772 licenses issued as of November 30, 2013.
- There was a total of \$9,467.53 collected for the month of November 2013, via the efforts of the NJ Lottery/Division of Taxation Joint Investigation Project. The total collected for FY'14 to date is \$31,475.67.

V. INFORMATION MANAGEMENT SERVICES (IMS)

A. Operations

- Met with Division of Property Management and Construction to aid in the reconfiguring of office space in anticipation of Northstar's occupation of Lottery floor space.
- The new pool closing room is built with available electric and desks installed.

B. Systems and Programming

- MUSL approved server upgrade configuration as well as the McAfee's Security Information and Event Management product.
- Resolved several problems that users were experiencing after upgrading to PC Windows 7.

C. Lottery Consumer and Retailer Websites Support

- Responded to 118 email requests and inquiries from VIP Club members and users during the month of November.

D. Lottery VIP Club

- The NJ Lottery VIP Club increased its membership with 1,843 new registrations during the month of November 2013. The VIP Club now has an enrollment of 265,975 active members.
- Since the inception of the Million Dollar Replay game on April 4, 2011 92,155 people have registered for the NJ Lottery VIP Club. Of those 92,155 registrants 88,451 have made one or more entries into the Million Dollar Replay program.

VI. OPERATIONS UNIT

A. Validation Section

- Validation staff received and sorted 3,226 claim forms during the month of November 2013 and an additional 279 Walk-In claims. Staff entered 3,463 claims into Voyager claims tracking system. Validation staff also edited 3,851 claims. During the month of November 3,375 claims totaling \$8,354,776.50 and 2 Retailer bonuses totaling \$4,000.00 were paid to winners and retailers respectively.
- Instant Ticket Inventory Control Section updated the status of returned instant ticket packs from various Instant games.
- There were 27 Social Security number matches between the files from the Departments of Human Services, Department of Taxation, Department of Labor, Community Affairs, matches for Higher Education Student Assistance Authority and Lottery's Winners. Matches also identified possible child support arrearages, overpayments for public assistance, and student loan payment defaults. There were no matches for low income home energy assistance.
- There were 20 claims processed and garnished because of current and previous matches, totaling \$23,066.53, ten (10) of the garnishments went to satisfy child support arrearages totaling \$12,955.00, eight (8) were for public assistance, food stamps in the amount of \$4,920.30 and two (2) student loans in the amount of \$5,191.23.
- There were three (3) released claims from previous matches.
- Since inception in 1992 the NJ Lottery has collected \$6,736,040.19 for child support arrearage, low income home energy assistance, food stamps, and overpayments of welfare, student loans and other SOIL programs.

B. Pool Closings

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 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.

C. Retailer/Customer Call Center

- The Retailer/Call Center Services Unit handled 2,339 incoming calls during the month of November 2013.
- There were 355 outgoing calls made. This includes new retailer welcoming calls, 54 calls to congratulate Retailers selling top prizes, along with miscellaneous calls. There were 185 requests for assistance with instant pack status changes.
- The Retailer/Call Center Unit handled 713 winner claim status calls during the month of November of which 399 of these calls were answered at the front desk.

D. Warehouse Operations

- The warehouse staff coordinated 13 trips to Motor Pool for vehicle repairs, fuel and other vehicle requests.
- Staff accepted 1633 deliveries including game end returns, regular UPS, and FedEx packages and deliveries. Six new games were received this month at the GTECH warehouse.
- The staff processed two requests for promotional items from the promotions cage for the Public Information Staff.

- The Warehouse staff performed mail and courier duties to State Offices, State Police and Capital Post Office and other courier runs as needed. Staff worked with NorthstarNJ coordinating drop off of Point of Sale Items. GTECH collected all marketing tools and Altura gaming machines from the Lottery Promotional Trailer and all items have been returned to GTECH. All Promotional Items were turned over to NorthstarNJ.

E. Facilities Unit

The Facilities coordinator, working with Nexus ensured that the daily management and maintenance of the Lottery building was accomplished. Several preventative maintenance inspections and repairs were conducted which included Otis Elevator completing the quarterly preventative maintenance and inspection at NJL Headquarters. Technicians from Fluidics performed HVAC maintenance on the roof top units. Nexus, GTECH, Tri State, and Certified Communications representatives have been meeting at NJ Lottery Headquarters Warehouse to plan the future installation and setup of the Trifactor ticket scanning machine. Orkin performed the monthly pest/insect control. Technicians from Main Access repaired the Public Address System at Lottery. Facilities has completed 17 requests for installations and repairs of Lottery equipment and has been working with the IMS and Drawing Units regarding the studio and pool closing work stations.

VII. NORTHSTAR ACTIVITIES

- Northstar personnel count is now 107 employees, 75 in Sales, 16 in Marketing and 16 in other categories. Three Lottery Sales Representative (LSR) positions remained to be filled.
- All key management positions reporting to the VP of Marketing have now been filled.
- The Wawa rollout continues with Lottery full self-serve vending machines installed in 37 stores by the end of November. Full rollout of all 240 stores is to be completed by March 31, 2014.
- Northstar met with reps from Quick Chek and Hess to discuss equivalent opportunities.
- Northstar is planning to hold four Retailer Advisory Councils in January. These are essentially retailer focus groups.
- The top four *After School Advantage* (computer labs) program winners were selected and will be announced with installations scheduled quarterly in 2014.