

## NEW JERSEY STATE LOTTERY COMMISSION

### PUBLIC MEETING DECEMBER 16, 2021

Executive Director Carey called the Commission meeting into session at 10:00 a.m.

#### COMMISSION MEMBERS (BY TELEPHONE)

Robert J. D'Anton, Chair  
Marilyn Blazovsky, Vice Chair  
Ian K. Leonard, Commissioner  
Michael Kanef, Treasurer's Designee  
Gary Terwilliger, Division of Investment Designee

James A. Carey, Jr., Executive Director  
Robert E. Kelly, Deputy Attorney General  
Roza Dabaghyan, Deputy Attorney General  
Jeffrey Neilsen, Governor's Auth. Unit

#### VISITORS (BY TELEPHONE)

Adam Perlow, Northstar  
Erica Helms, Northstar  
Joe Cavallo, Northstar  
Sam Fromkin, Northstar  
Erin Ziegler, Northstar

#### STAFF (BY TELEPHONE)

Missy Gillespie  
Jerry Guarino  
Shelina Islam  
Robert Kersey  
Kelly Laird  
Jason Lee  
Jack Leo  
Marc Marseglia  
Charlene Mello  
Ellen O'Malley  
Steve Palmieri  
Debbie Raub  
Mary Ann Rivell  
Ryan Schaffer  
John White

After the Pledge of Allegiance, Executive Director Carey 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.

Executive Director Carey took roll call.

Executive Director Carey requested a motion to approve the minutes of the November 18, 2021 Commission meeting. Commissioner Leonard made the motion, which was seconded by Vice Chair Blazovsky. Executive Director Carey asked if there were any comments and there being none, the motion carried.

#### DIRECTOR'S REPORT

Executive Director Carey reviewed November's results and activities. Highlights were:

All games total sales were: \$282.3 million  
Lotto games total sales were: \$34.4 million  
Daily machine games total sales were: \$86.8 million  
Scratch-Off tickets total sales were: \$161 million

Executive Director Carey stated that Pick-6 had sales of \$4.1 million compared to \$4.8 million the prior year, which was a decrease of 16%.

Executive Director Carey stated that CASH4LIFE had sales of \$4.7 million compared to \$4.6 million the prior year, which was an increase of 3%.

Executive Director Carey stated that Mega Millions had sales of \$9.2 million compared to \$11.2 million the prior year, which was a decrease of 17.5%.

Executive Director Carey stated that Powerball had sales of \$16.3 million compared to \$10.8 million the prior year, which was an increase of 50.7%.

Executive Director Carey stated that Pick-3 had sales of \$34.94 million compared to \$34.96 million the prior year, which was a decrease of 0.01%.

Executive Director Carey stated that Pick-4 had sales of \$22.7 million compared to \$22.9 million the prior year, which was a decrease of 0.08%.

Executive Director Carey stated that Jersey Cash 5 had sales of \$13.3 million compared to \$15.1 million the prior year, which was a decrease of 11.9%.

Executive Director Carey stated that Cash Pop had sales of \$3.3 million compared to \$2.7 million the prior year, which was an increase of 22%.

Executive Director Carey stated that Quick Draw had sales of \$9.3 million compared to \$8.4 million the prior year, which was an increase of 11.3%.

Executive Director Carey stated that Fast Play had sales of \$2.9 million compared to \$2.2 million the prior year, which was an increase of 31.7%.

Executive Director Carey stated that Scratch-Offs had sales of \$161.4 million compared to \$154 million the prior year, which was an increase of 4.3%. Executive Director Carey stated that the holiday Scratch-Off games launched on November 1 and sales have been strong. Last November was a strong month for Scratch-Offs and a 4.3% increase was encouraging.

Executive Director Carey stated that All Games had total sales of \$282.3 million compared to \$272.5 million the prior year, which was an increase of 3.6%.

Executive Director Carey stated that the monthly contribution for the month was \$82.7 million compared to \$79.7 million the prior year, which was an increase of 3.8%.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$24.9 million compared to \$22.4 million the prior year, which was an increase of 11%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$25 million compared to \$24 million the prior year, which was an increase of 3.6%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$63.2 million compared to \$49.8 million the prior year, which was an increase of 26.8%.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$102.8 million compared to \$48.6 million the prior year, which was an increase of 111.4%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$184.7 million compared to \$185.9 million the prior year, which was a decrease of 0.06%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$117.4 million compared to \$120.6 million the prior year, which was a decrease of 2.6%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$68.4 million compared to \$76 million the prior year, which was a decrease of 10%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$18.6 million compared to \$11.9 million the prior year, which was an increase of 56%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$47 million compared to \$42.8 million the prior year, which was an increase of 9.9%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$13.1 million compared to \$8.1 million the prior year, which was an increase of 62.5%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$844.1 million compared to \$830.6 million the prior year, which was an increase of 1.6%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$1.5 billion compared to \$1.4 billion the prior year, which was an increase of 6.2%.

Executive Director Carey stated that Lottery continues to have good results. The Lottery is benefitting from the changes made to Powerball and the high Powerball and Mega Millions jackpots in September and October.

Executive Director Carey stated that net proceeds for the fiscal year to date exceeded \$449.3 million or 29.76% of sales. Fiscal year profits from lotto games were \$89.4 million or 41.3% of sales. Fiscal year profits from daily games were \$173 million or 38.4% of sales. Fiscal year profits from Scratch-Offs were \$181.1 million or 21.4% of sales.

Executive Director Carey stated that the top three selling non-core games for November were "100X The Cash," which generated \$11 million in sales, "Crossword Bonanza," which generated \$9.2 million in sales and "Win Either \$100 or \$200," which generated \$8 million in sales.

Executive Director Carey stated that new games that launched on November 1 were "Festive \$50's," "Holiday Lucky Times 10," "Holiday Delight" and "\$50 and \$100 Blowout!"

Executive Director Carey reviewed high tier winners throughout the state in November.

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

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.

Executive Director Carey stated that on November 30, the Lottery issued a press release for the kickoff of the Lottery and the Council on Compulsive Gambling of New Jersey's Annual Gift Responsibly Awareness Campaign. On December 1, Felicia Grondin, Executive Director of the Council on Compulsive Gambling of New Jersey, came to Lottery and we issued a joint statement reminding players and consumers in New Jersey that they should not gift lottery tickets to children.

Executive Director Carey stated that the Validations Unit received and sorted 3,883 mailed claims during the month of November. The number of claims received in the drop box was 275. There were 32 hand delivered claims submitted during scheduled appointments. During the month of November there were 3,139 claims totaling over \$9.9 million that were paid to winners including annuity payments.

Executive Director Carey stated that paying claims during the pandemic has been difficult. We closed our offices in March 2020 and we now encourage our players to do a few different things to get their claim forms to us. If a player wants to make an appointment, they can call and make an appointment. We take appointments for players at all levels, but we advise people with high tier claims to make an appointment. The Lottery encourages players who did not win a high tier prize to mail the claim form. If a player would rather drop it off, we have a secure drop box in the lobby.

Executive Director Carey stated that it is currently taking four to five weeks to pay claims. The Lottery is preparing a report for the Commissioners and the public for the January Commission meeting. It will state in detail what we have done, why it was taking so long during the pandemic to pay claims, the steps that we took during the year to improve paying claims and ways to improve on that further in the future.

Executive Director Carey stated that Northstar's Promotions team conducted a great promotion with the New York Giants and the Lottery. The New Jersey Lottery is a sponsor of the New York Giants. The Promotions team, working with the New York Giants, had a "New York Giants Fantasy Football" game presented by the New Jersey Lottery. Ten lucky Quick Draw players were selected during promotions at

local bars across the state over the last few weeks. Those ten lucky players came out to MetLife Stadium where the Giants play. They each were able to bring four of their friends and they had a touch football game with some New York Giants retired greats. Executive Director Carey thanked Northstar for this event. He stated that the Giants showed our players a great time. Executive Director Carey thanked Rob Curtis from the New York Giants, who was the emcee of the event for the Giants, Lauren Berman and Shannon Steel from Northstar, who were the on-site contacts, and Northstar for arranging that event for our players.

Executive Director Carey invited Adam Perlow, Vice President and Chief Operating Officer of Northstar, to provide an update on Northstar activities. Mr. Perlow thanked Executive Director Carey for attending that event. He also thanked the Giants for their excellent partnership and their excellent execution of that event. We have a good partnership with them as we do with some of the other major sports teams including the Jets. The Promotions team spent a few days in November outside MetLife Stadium at our "Jets Island" facility, as well as at Devils games. The Promotions team will be at Devils games in December. We promoted the holiday Scratch-Off tickets and the New Year's Raffle game. This is the first New Jersey raffle game in about 14 years. That is taking a bit of effort and coordination working with our retailers to promote that game. There is plenty of signage at retailers around the New Year's Raffle game as well as the holiday Scratch-Off games.

Executive Director Carey concluded the Director's report.

Executive Director Carey asked if there are any questions or comments.

Vice Chair Blazovsky stated that the sales picture looks good when compared to last year. But when you look back to last month, she was concerned because the total sales for this month were down \$16 million and the contribution to the state was down approximately \$10 million from last month. Vice Chair Blazovsky asked if Executive Director Carey can comment on that and also why because November started the holiday season. She asked where Executive Director Carey sees that going for December and how are those deficits made up?

Executive Director Carey responded that there is always going to be some sales spikes over the course of the year and the spikes are built into Lottery's budget. We need to see big jackpots from Powerball and Mega Millions. It is very important to our business model and there is an element of chance to that. In October, we had a \$685 million Powerball jackpot and which was won on October 4. That means we had four days of sales where the jackpot was over \$500 million and there was a huge benefit to that. Powerball sales in October were \$26 million, which was a significant part of the difference between October and November. It is not so much that November sales seem to be down, it is that the Lottery really needs two or three months every year that are led by a very large Powerball or Mega Millions jackpot.

Executive Director Carey asked if John White, Deputy Director of Finance, has anything to add. Mr. White added that Lottery does an average about \$9.5 million per day in sales and we had one less day in November than we had in October. That would probably make up the rest of the difference beyond what we earned from the jackpots in the previous month.

Vice Chair Blazovsky asked if Executive Director Carey is confident that that is just kind of a blip and could be dependent on the number of days in the month and also the lack of high jackpots. Executive Director Carey responded that yes and that he is confident that October was the boost that we need. We need two to four months a year where there are high jackpots. We have a good idea of what Pick-3 and Pick-4 sales are going to look like over the course of a given year but we do not know during what months we are going to see huge jackpots and huge sales in Powerball and Mega Millions.

Executive Director Carey asked if there are any additional questions or comments. Executive Director Carey requested a motion to approve the Director's Report. Commissioner Leonard made the motion, which was seconded by Vice Chair Blazovsky.

**NEW BUSINESS**

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 our overall responsible gaming initiatives, these games have been reviewed to identify any problematic elements that could present a risk to vulnerable problem gamblers.

The new item of business was game rules for new Scratch-Offs.

"Blackjack Tripler" is a \$2 ticket, a ticket quantity to be printed of 4.8 million tickets, a top prize of \$10,000, a prize payout of 63%, and an anticipated on-sale date of July 5, 2022.

"Jumbo Bucks" is a \$5 ticket, a ticket quantity to be printed of 4.8 million tickets, a top prize of \$200,000, a prize payout of 64%, and an anticipated on-sale date of May 22, 2022.

Executive Director Carey asked if there are any questions regarding the approval of the two Scratch-Off ticket game rules. Hearing no questions, Executive Director Carey requested a motion to approve the Scratch-Off ticket game rules for the "Blackjack Tripler" and "Jumbo Bucks." Commissioner Leonard made the motion, which was seconded by Treasurer's Designee Kanef. Executive Director Carey asked if there were any questions or comments, and there being none, the motion carried.

**PUBLIC COMMENT**

There was no Public Comment.

**EXECUTIVE SESSION**

There was no Executive Session.

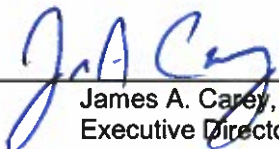
**ADJOURNMENT**

Executive Director Carey asked for a motion to adjourn the Public meeting. Commissioner Leonard made the motion, which was seconded by Investment Designee Terwilliger. 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 December 16, 2021.

IN WITNESS WHEREOF, I hereby set my hand on

the 12th day of January, 2022.

  
James A. Carey, Jr.  
Executive Director