

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING DECEMBER 15, 2022

Vice Chair Blazovsky called the Commission meeting into session at 10:00 a.m.

COMMISSION MEMBERS (BY TELEPHONE)

Robert D'Anton, Chairman
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
Marc J. Marseglia, Deputy 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
Kristen Connelly, Northstar
Erin Ziegler, Northstar

STAFF (BY TELEPHONE)

Jerry Guarino
Dean Ialacci
Shelina Islam
Robert Kersey
Kelly Laird
Jason Lee
Ellen O'Malley
Joe Oleszkiewicz
Rick Pagnani
Steve Palmieri
Debbie Raub
Mary Ann Rivell
Ryan Schaffer
Esther Werstler
John White

Executive Director Carey took roll call, and announced that Vice Chair Blazovsky would chair the meeting.

After the Pledge of Allegiance, Vice Chair Blazovsky 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.

Vice Chair Blazovsky requested a motion to approve the minutes of the November 17, 2022 Commission meeting. Commissioner Leonard made the motion to approve the minutes of the November 17, 2022 Commission meeting. Chairman D'Anton seconded the motion. Vice Chair Blazovsky asked if there were any comments and there were none. Vice Chair Blazovsky called for a vote and all the Commissioners voted yes.

DIRECTOR'S REPORT

Executive Director Carey stated that November was a great month for sales driven by a large Powerball jackpot. The \$1.9 billion jackpot was won on November 7 in California.

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

All games total sales were: \$349.1 million
Lotto games total sales were: \$109.6 million
Daily machine games total sales were: \$79.1 million
Scratch-Off tickets total sales were: \$160.2 million

Executive Director Carey stated that Pick-6 had sales of \$4.5 million compared to \$4.1 million the prior year, which was an increase of 10%.

Executive Director Carey stated that CASH4LIFE had sales of \$5.3 million compared to \$4.7 million the prior year, which was an increase of 11.8%.

Executive Director Carey stated that Mega Millions had sales of \$17.5 million compared to \$9.2 million the prior year, which was an increase of 88.9%. He noted that the Mega Millions jackpot is currently \$429 million.

Executive Director Carey stated that Powerball had sales of \$82.3 million compared to \$16.3 million the prior year, which was an increase of 403.8%.

Executive Director Carey stated that Pick-3 had sales of \$31.5 million compared to \$34.9 million the prior year, which was a decrease of 9.8%.

Executive Director Carey stated that Pick-4 had sales of \$20.3 million compared to \$22.7 million the prior year, which was a decrease of 10.7%.

Executive Director Carey stated that on November 14, Pick-3 and Pick-4 prizes went to fixed prizes. We are expecting to see a positive result from this change, but it is going to take a few months.

Executive Director Carey stated that Jersey Cash 5 had sales of \$10.8 million compared to \$13.3 million the prior year, which was a decrease of 19.2%.

Executive Director Carey stated that Cash Pop had sales of \$4.3 million compared to \$3.3 million the prior year, which was an increase of 28.7%.

Executive Director Carey stated that Quick Draw had sales of \$8 million compared to \$9.3 million the prior year, which was a decrease of 14%.

Executive Director Carey stated that Fast Play had sales of \$4.1 million compared to \$2.9 million the prior year, which was an increase of 38.1%.

Executive Director Carey stated that fiscal year to date the monthly contribution was \$108 million compared to \$82 million the prior year, which was an increase of 31.4%.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$26.2 million compared to \$24.9 million the prior year, which was an increase of 5.1%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$26 million compared to \$25 million the prior year, which was an increase of 3.8%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$138.5 million compared to \$63.2 million the prior year, which was an increase of 119%.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$179.4 million compared to \$102.8 million the prior year, which was an increase of 74%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$167.8 million compared to \$184.7 million the prior year, which was a decrease of 9.2%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$107 million compared to \$117 million the prior year, which was a decrease of 8.8%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$59.4 million compared to \$68.4 million the prior year, which was a decrease of 13.2%. Executive Director Carey explained that Jersey Cash 5 is a jackpot driven game and there have only been a few million-dollar jackpots this year.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$22.4 million compared to \$18.6 million the prior year, which was an increase of 20.4%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$42 million compared to \$47 million the prior year, which was a decrease of 10.5%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$18 million compared to \$13 million the prior year, which was an increase of 38%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$827.9 million compared to \$844.1 million the prior year, which was a decrease of 1.9%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$1.6 billion compared to \$1.5 billion the prior year, which was an increase of 7%.

Executive Director Carey stated that net proceeds for the fiscal year to date exceeded \$490.5 million or 30.3% of sales. Fiscal year profits from lotto games were \$148.3 million or 40% of sales. Fiscal year profits from daily games were \$158.7 million or 38% of sales. Fiscal year profits from Scratch-Offs games were \$179.1 million or 21.6% of sales.

Executive Director Carey stated that the top three selling non-core games for November were "Power 50X," which generated \$14.9 million in sales, "\$50,000 Loaded," which generated \$9.7 million in sales and "\$3,000,000 Platinum Club," which generated \$9.7 million in sales.

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 the World Lottery Association recently recertified the New Jersey Lottery at its Level 4 certification for our Responsible Gaming Program. He thanked and congratulated Adam Perlow and Tim Rolwood at Northstar for the great work that Northstar did with helping us get our Level 4 World Lottery Responsible Gaming Association recertified. Executive Director Carey also thanked the Division of Lottery's Missy Gillespie, Mary Ann Rivell, Dean Ialacci and Bob Kersey who also worked hard on our Responsible Gaming Program. The Lottery takes responsible gaming very seriously. As part of those responsible gaming initiatives, we partnered with the Council on Compulsive Gambling of New Jersey and videotaped our Holiday Gift Responsibly Campaign to let people know that it is not appropriate to gift lottery tickets to children

Executive Director Carey stated that the Validations staff received and sorted 3,788 mailed claim forms during the month. The number of claims received in the drop box 305. There were 86 claims either hand delivered or submitted during scheduled appointments. During the month of November there were 3,602 claims paid totaling \$14.7 million in winnings.

Executive Director Carey stated that he had a discussion with Vice Chair Blazovsky regarding our need to push forward claims and make sure that people are being paid during the holidays. We are near our end of year accounting and we are trying to pay as many people as we can. He explained that every year as year-end approaches, claims payments are halted for several weeks so that Finance and Validations staff can prepare and mail tax forms to the year's winners.

Executive Director Carey invited Adam Perlow, Vice President and Chief Operating Officer of Northstar, to provide an update on Northstar activities. Mr. Perlow stated that Northstar is very excited about the World Lottery Association's recertification. It is a very arduous process to go through to get that certification and just goes to certify all of the efforts that Northstar and the Lottery makes to enforce our standards around responsible gaming. In the month of November, there was a Tier 1 advertising campaign for Quick Draw and Cash Pop. At the end of November, the holiday campaign began. In January, there will be a Tier 1 advertising campaign to promote the changes that we have made to Pick-3 and Pick-4.

Executive Director Carey concluded the Director's report.

Vice Chair Blazovsky congratulated the Lottery and on the certification from the World Lottery Association. She thanked the staff of the New Jersey Lottery and Northstar for their efforts. She also thanked Mr. Perlow for discussing the Tier 1 advertising campaign that will be done for Pick-3 and Pick-4. Vice Chair Blazovsky stated that she was concerned that we may have lost players so she looks forward to our efforts to bring those players back.

Vice Chair Blazovsky asked if there are any questions or comments. Hearing no questions, Vice Chair Blazovsky requested a motion to approve the Director's Report. Commissioner Leonard made the motion to approve the Director's Report. Chairman D'Anton seconded the motion and all the Commissioners voted yes. The motion carried.

PUBLIC COMMENT ON AGENDA ITEMS

There was no Public Comment on agenda items.

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 first item of new business was game rules for one Scratch-Off ticket games.

"Loose Change" is a \$1 ticket, a ticket quantity to be printed of 8.4 million tickets, a top prize of \$500, a prize payout of 60%, and an anticipated on-sale date of May 12, 2023.

Vice Chair Blazovsky asked if there are any questions regarding the approval of the one Scratch-Off ticket game rules. Hearing no questions, Vice Chair Blazovsky requested a motion to approve the Scratch-Off ticket game rules for the "Loose Change." Investment Designee Terwilliger made the motion to approve the Scratch-Off ticket game rules. Treasurer's Designee Kanef seconded the motion and all of the Commissioners voted yes. The motion carried.

The second item of new business was game rules for one Fast Play game.

"Cashword" is a \$5 ticket, a top prize of \$500 or 50% of the jackpot, a prize payout of 62.63%, and an anticipated on-sale date of February 6, 2023.

Vice Chair Blazovsky asked if there are any questions regarding the approval of the one Fast Play ticket game rules. Hearing no questions, Vice Chair Blazovsky requested a motion to approve the Fast Play ticket game rules for "Cashword." Treasurer's Designee Kanef made the motion to approve the Fast Play ticket game rules. Investment Designee Terwilliger seconded the motion and all of the Commissioners voted yes. The motion carried.

Jeffry Neilsen from the Governor's Authorities Unit noted his appearance for the record. He stated he has been on the call since the start and wanted to wish everyone Happy Holidays.

Executive Director Carey thanked and welcomed Mr. Neilsen.

Vice Chair Blazovsky made a motion from the Commission for best wishes of the season to Lottery and Northstar staffs. Treasurer's Designee Kanef seconded the motion and all the Commissioners voted yes. The motion carried.

Executive Director Carey wished everyone a Happy Holiday.

PUBLIC COMMENT

There was no Public Comment.

EXECUTIVE SESSION

There was no Executive Session.

ADJOURNMENT

Vice Chair Blazovsky asked for a motion to adjourn the Public meeting. Investment Designee Terwilliger made the motion to adjourn. Vice Chair Blazovsky seconded the motion and all the Commissioners voted yes. 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 15, 2022.

IN WITNESS WHEREOF, I hereby set my hand on

the _____ 11th _____ day of _____ January _____, 2023 _____.



James A. Carey, Jr.
Executive Director