

## NEW JERSEY STATE LOTTERY COMMISSION

### PUBLIC MEETING MAY 19, 2022

Chair D'Anton 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  
Marc J. Marseglia, Deputy Executive Director  
Robert E. Kelly, Deputy Attorney General  
Roza Dabaghyan, Deputy Attorney General  
Jamera Sirmans, Governor's Auth. Unit

#### VISITORS (BY TELEPHONE)

Adam Perlow, Northstar  
Erica Helms, Northstar  
Foster Krupa, Northstar  
Kristen Connelly, Northstar  
Erin Ziegler, Northstar

#### STAFF (BY TELEPHONE)

Nikki Apeadu  
Patricia Coppel  
Missy Gillespie  
Jerry Guarino  
Shelina Islam  
Robert Kersey  
Kelly Laird  
Jason Lee  
Jack Leo  
Charlene Mello  
Ellen O'Malley  
Joe Oleszkiewicz  
Debbie Raub  
Mary Ann Rivell  
John White

After the Pledge of Allegiance, Chair D'Anton 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.

Chair D'Anton requested a motion to approve the minutes of the April 21, 2022 Commission meeting. Commissioner Leonard made the motion, which was seconded by Treasurer's Designee Kanef. Chair D'Anton asked if there were any comments and there being none, the motion carried.

#### DIRECTOR'S REPORT

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

All games total sales were: \$313.2 million  
Lotto games total sales were: \$45.3 million  
Daily machine games total sales were: \$91.3 million  
Scratch-Off tickets total sales were: \$176.5 million

Executive Director Carey stated that the highlight of the month was a \$454 million Powerball jackpot that was won on April 27. He noted that sales were down in April compared to the prior April.

Executive Director Carey stated that Pick-6 had sales of \$5.6 million compared to \$5.8 million the prior year, which was a decrease of 3.1%. The changes to Pick-6 did not launch until April 5 so we did not have a very loud amount of sales that first couple of days. Later in April, Pick-6 sales picked up. We are hopeful that the changes to Pick-6 have reignited some interest in that game. The current jackpot is \$9.6 million, which is getting into the realm of something that will excite players.

Executive Director Carey stated that CASH4LIFE had sales of \$4.8 million compared to \$5.0 million the prior year, which was a decrease of 4%.

Executive Director Carey stated that Mega Millions had sales of \$9.3 million compared to \$16.7 million the prior year, which was a decrease of 43.8%. He noted that Mega Millions had a jackpot of \$515 last year that was won on May 21, 2021.

Executive Director Carey stated that Powerball had sales of \$25.4 million compared to \$9.0 million the prior year, which was an increase of 180.8%. Powerball had a jackpot of \$473 million when it was won on April 27.

Executive Director Carey stated that Pick-3 had sales of \$36.0 million compared to \$41.4 million the prior year, which was a decrease of 12.9%.

Executive Director Carey stated that Pick-4 had sales of \$22.6 million compared to \$25.8 million the prior year, which was a decrease of 12.6%.

Executive Director Carey stated that Pick-3 and Pick-4 were the two games that benefitted the most during the pandemic. Sales went up 11% in Fiscal Year 2021. Pick-3 and Pick-4 may be returning to that trend of a long-term slow decline that we had been seeing for years prior to last year.

Executive Director Carey stated that Jersey Cash 5 had sales of \$13.6 million compared to \$14.1 million the prior year, which was a decrease of 3.5%.

Executive Director Carey stated that Cash Pop had sales of \$4.1 million compared to \$5.4 million the prior year, which was a decrease of 23.5%.

Executive Director Carey stated that Quick Draw had sales of \$9.6 million compared to \$10 million the prior year, which was a decrease of 4.3%.

Executive Director Carey stated that Fast Play had sales of \$5.2 million compared to \$4.8 million the prior year, which was an increase of 7.6%.

Executive Director Carey stated that All Games had total sales of \$313 million compared to \$328 the prior year, which was a decrease of 4.6%.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$46.8 million compared to \$47 million the prior year, which was a decrease of 0.04%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$49.3 million compared to \$49.7 million the prior year, which was a decrease of 0.07%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$123.8 million compared to \$181.9 million the prior year, which was a decrease of 31.9%. Mega Millions benefitted from several large jackpots in FY21.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$211 million compared to \$149 million the prior year, which was an increase of 41.7%. Powerball has been succeeding drawing went to three days a week.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$361 million compared to \$374 million the prior year, which was a decrease of 3.4%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$230.1 million compared to \$241.9 million the prior year, which was a decrease of 4.8%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$135 million compared to \$151 million the prior year, which was a decrease of 10.6%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$38.3 million compared to \$31.8 million the prior year, which was an increase of 20.3%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$93.6 million compared to \$89.8 million the prior year, which was an increase of 4.2%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$31.1 million compared to \$23.5 million the prior year, which was an increase of 32.2%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$1.717 billion compared to \$1.715 billion the prior year, which was an increase of 0.01%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$3.04 billion compared to \$3.05 billion the prior year, which was a decrease of 0.04%.

Executive Director Carey stated that the total contribution for the fiscal year was \$898.1 million compared to \$905.5 million the prior year, which was a decrease of 0.08%. It is also 1.6% over budget.

Executive Director Carey stated that net proceeds for the fiscal year to date exceeded \$898.1 million or 29.52% of sales. Fiscal year profits from lotto games were \$174.3 million or 40.4% of sales. Fiscal year profits from daily games were \$341 million or 38.2% of sales. Fiscal year profits from Scratch-Offs were \$369.6 million or 21.5% of sales.

Executive Director Carey stated that total to date FY22 net proceeds also include 30% of the current estimated forfeited prizes or \$13.5 million.

Executive Director Carey stated that the aggregate balance for all unclaimed prize reserve accounts as of April 30, 2022 was \$25 million. Lottery removed the chart in the Director's report that discussed the unclaimed prize account values for the different games. He stated that over the next few months, the Division will be working on improving the format of the report in order to tell a better story. Lottery will be working with Northstar and the Treasurer's Office to improve the report.

Executive Director Carey stated that the top three selling non-core games for April were "\$3,000,000 Platinum Club," which generated \$15.9 million in sales, "\$1,000,000 Gold Club," which generated \$11.5 million in sales and "Crossword Bonanza," which generated \$10.8 million in sales.

Executive Director Carey stated that Northstar had extensive advertising to support Pick-6 with Double Play. That campaign began on April 5 and ran through May 1.

Executive Director Carey stated that on May 12, Lottery had the highest progressive jackpot ever on Fast Play, which had reached \$526,000. On May 12, a player with a \$5 ticket won \$260,000, which was half of the progressive jackpot. On April 5, a \$5 Jersey Jackpot ticket won 50% of the progressive jackpot, and the player won \$197,181.

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

Executive Director Carey stated that on April 29, the New Jersey Lottery held the Million Dollar Replay Event at Caesars in Atlantic City. There were nearly 200 of finalists present and most of the top tier winners, including the grand prize winner, were in attendance. Executive Director Carey thanked a few people that helped to make the event a success. From Northstar, Sam Fromkin, Lauren Quirk and Lauren Berman all were a major part of the success. From the Division of State Lottery, he thanked Marc Marseglia, Mike Moriarity, Paul Burger, Lori Mauroff and Shelina Islam. From Mercadien, he thanked Matt Daly. He also noted that many other people from the Division, Northstar and Mercadien helped to contribute to the success of the event. It was a great event and we were very happy to be back live with our players.

Executive Director Carey stated that all drawings for the month of April 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 in our Responsible Play Program that Mary Ann Rivell and Northstar are working to get our recertification for the World Lottery Association's Level 4 Responsible Gaming framework submitted. It is due in October and it is very important to how we operate at the New Jersey Lottery.

Executive Director Carey stated that on Tuesday, May 24, the Lottery will conduct a Big Spin event at the Lakewood BlueClaws game. We held two Big Spins events at the Million Dollar Replay Event, where both players won \$50,000.

Executive Director Carey stated that Lottery is revamping our phone system and Call Center systems.

Executive Director Carey stated that the Validations Unit received and sorted 3,527 mailed claims during the month of April. During the month of April there were 5,051 claims totaling over \$27 million that were paid to winners including annuity payments.

Executive Director Carey stated that in early May he traveled to Chicago to meet with directors of several of the state lotteries, including the group that operates Powerball, to discuss upcoming changes to Powerball, including plans to possibly sell Powerball tickets in Australia.

Executive Director Carey invited Adam Perlow, Vice President and Chief Operating Officer of Northstar, to provide an update on Northstar activities. Mr. Perlow discussed the recent changes to Pick-6. He also discussed Million Dollar Replay, and noted that the event takes a tremendous amount of work by the staff at Northstar and at Lottery. Northstar had approximately 30 people at the event and Lottery had in excess of 20 people. Mr. Perlow thanked Chair D'Anton for attending the event and for taking a picture with the \$1 million winner.

Executive Director Carey concluded the Director's report.

Chair D'Anton asked if there were any questions.

Vice Chair Blazovsky asked about the changes to the phone system and how the Division would handle the State's diverse language needs. Deputy Executive Director Marseglia responded that we are trying to build out a Spanish option, and are currently working on some ideas on how to do that. Vice Chair Blazovsky stated that she hopes Lottery keeps in mind some language challenges for retailers and players. Deputy Executive Director Marseglia noted that Lottery's staff is very diverse and we have many people in the building who speak different languages.

Chair D'Anton asked if there are any additional questions or comments. Hearing no questions, Chair D'Anton requested a motion to approve the Director's Report. Commissioner Leonard made the motion, which was seconded by Chair D'Anton.

## **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 four Scratch-Off ticket game rules. Executive Director Carey stated that these are all core games. We are introducing free tickets into these games and the prize structure has changed.

"Loteria" is a \$3 ticket, a ticket quantity to be printed of 5.5 million tickets, a top prize of \$30,000, a prize payout of 61%, and an anticipated on-sale date of August 5, 2022.

"Crossword" is a \$3 ticket, a ticket quantity to be printed of 13.8 million tickets, a top prize of \$20,000, a prize payout of 62%, and an anticipated on-sale date of August 5, 2022.

"Crossword Multiplier" is a \$3 ticket, a ticket quantity to be printed of 6.7 million tickets, a top prize of \$30,000, a prize payout of 63%, and an anticipated on-sale date of December 5, 2022.

"\$250,000 Crossword" is a \$10 ticket, a ticket quantity to be printed of 3.6 million tickets, a top prize of \$250,000, a prize payout of 64%, and an anticipated on-sale date of August 17, 2022.

Chair D'Anton asked if there are any questions regarding the approval of the four Scratch-Off ticket game rules. Hearing no questions, Chair D'Anton requested a motion to approve the Scratch-Off ticket game rules for the "Loteria," "Crossword," "Crossword Multiplier" and "\$250,000 Crossword." Investment Designee Terwilliger made the motion, which was seconded by Commissioner Leonard. Chair D'Anton asked if there were any questions or comments, and there being none, the motion carried.

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

"Max Cash Multiplier" is a \$10 ticket, a top prize of \$500 or 100% of the jackpot, a prize payout of 65%, and an anticipated on-sale date of July 15, 2022.

Chair D'Anton asked if there are any questions regarding the approval of the Fast Play ticket game rules. Hearing no questions, Chair D'Anton requested a motion to approve the Fast Play ticket game rules for "Max Cash Multiplier." Vice Chair Blazovsky made the motion, which was seconded by Treasurer's Designee Kanef. Chair D'Anton 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**

Chair D'Anton asked for a motion to adjourn the Public meeting. Commissioner Leonard made the motion, which was seconded by Vice Chair Blazovsky. 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 May 19, 2022.

IN WITNESS WHEREOF, I hereby set my hand on

the 7th day of June, 2022.

  
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James A. Carey, Jr.  
Executive Director