

NEW JERSEY STATE LOTTERY COMMISSION

PUBLIC MEETING, DECEMBER 19, 2017

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
Patrick Toscano, Vice Chairman (by phone)
Robert Slater, Commissioner (by phone)
Christopher McDonough, Commissioner (by phone)
Matt Spadaccini, Treasurer Designee

Carole Hedinger, Executive Director
Robert E. Kelly, Deputy Attorney General
Tyler Yingling, Gov. Auth. Unit

VISITORS

Willem Rijkssen, Treasurer's Office
Russ Knapp, Northstar
Bill Murray, Northstar
Sam Fromkin, Northstar
Sarah Brennan, Northstar
Jon Renner, Brushfire
Chris Havard, Ferrara

STAFF

Nikki Apeadu
Regina Arcuri
Tom Bishop
Denise Coleman
Jason Cromwell
Duane Daniels
Michael DeCheser
Janice Eckstein
Frances Edwards
Janetta Foy
Scott Golonka
Dean Ialacci
Kalliopi Kostis
Megan Mazzoni
Charlene Mello
Prerna Mukhija
Richard Pagnani
Steve Palmieri
Robert Ptaszenski
Debbie Raub
Mary Ann Rivell
Margaret Square
John White
Melissa Williams
William Wilson
Don Smart
Tom Weber
Gail Wright

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 November 21, 2017 Commission Meeting. Commissioner Slater made the motion, which was seconded Commissioner McDonough. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

DIRECTOR'S REPORT

Executive Director Hedinger stated that this is her last Commission meeting. She is retiring at the end of the month after 7 1/2 years.

Executive Director Hedinger reported that sales and revenue are still on a healthy trend. We are ahead of budget as far as our total contribution is concerned. We are having a very good December. There should be even better results next month.

Executive Director Hedinger stated that starting next month there will be a slightly different format on the financial section of the Director's Report. It will not show an actual FY18 to an actual FY17 but it will only show the actual FY18. That actual revenue gets split into two ways – what goes to Pension Fund L and what goes to the General Fund. You'll be able to keep track of not only the total revenue we are earning this year but where we are dispersing it. There is no prior year Pension Fund L and there was a prior year General Fund so we will leave that section blank and it will make more sense as we go along.

Executive Director Hedinger reported that our FY18 profit from lotto games is almost \$87 million or 39.58% profit. Profit from daily games was 39.60% and profit from instant games was 21.71%. Overall, we are contributing more than 31% net revenue.

Executive Director Hedinger stated that receipts and deposits for the month were \$188.2 million.

Executive Director Hedinger noted that there were 94 electronic fund transfer (EFT) failures totaling \$354.6 thousand for the month. The Accounts Receivables Unit settled or closed 79% of EFT failures from October. Our Account Adjusters visited 434 retailers and collected \$269 thousand.

Executive Director Hedinger reported that the cumulative outstanding accounts receivable balance at the end of November was \$3.7 million. The total of bad debt reserve is \$3.1 million.

Executive Director Hedinger stated that the balances in the unclaimed prize reserve totaled \$19,425,846.

Executive Director Hedinger noted that the balance in the annuity investment accounts were \$130.3 million. The S&P ratings have not changed since last month.

Executive Director Hedinger reported that the three top selling non-core games for November were "\$200 Million Cash Bonanza," "\$5,000,000 Fortune" and "100X the Bucks." They contributed \$30.8 million or 21% of sales for the month.

Executive Director Hedinger stated that the Core and Family Games contributed \$82 million or 57% of total sales.

Executive Director Hedinger noted that we introduced four new instant games during November, which were the holiday games. They contributed \$13 million or 9% of total sales.

Executive Director Hedinger reported that there were five new games presented for Commission rule approval and subsequent vendor production.

Executive Director Hedinger stated that there was a lot of holiday advertising taking place in November. We began our holiday advertising on November 14 and it will run through December 31. It includes radio, television, cable, out of home, bus wraps, train station advertising. We are dominating the Secaucus train station with Lottery advertising. There is a lot of advertising to push for the holiday season. It is generally a big sales time for us.

Executive Director Hedinger noted that there are now more than 515 retailers selling Quick Draw. We recently started installing Quick Draw at 60 retailers who were already Lottery retailers, but were not in the bar or restaurant space that we had initially targeted for recruitment. These are current retailers that have eating facilities with breakfast and lunch crowds who wanted to have Quick Draw. They were eager to take the game so we quickly got them on board. Throughout the coming year, you will see Quick Draw expand and as we add more retailers, the sales will grow.

Executive Director Hedinger stated that we are running a Jersey Collect 'N Win promotion that is a second chance for draw game tickets. There will be drawings every month for the entire year. So far, we have had five Grand Prize winners that have each won \$50,000. We have received approximately 800,000 entries a month for this promotion. Generally our second chance drawings have dealt with instant games, but we are now doing something for draw games.

Executive Director Hedinger stated that four new Fast Play games were added in November. Four were suspended so that we keep 25 games available.

Executive Director Hedinger reported that we had a number of high tier winners in November. The Powerball drawing held November 29 had two \$50,000 winners. One in Monmouth County and one in Middlesex County. The Jersey Cash 5 XTRA drawing held on November 30 had a \$544,639 winner in Atlantic County.

Executive Director Hedinger stated that the Powerball and Mega Millions both have jackpots rolling. The recent changes that were made to the Mega Millions game in October have been paying off. We have seen an uptick in sales and they are rolling up a little quicker. The fact that the two jackpots are close in multi millions, encourages people to buy both games. They aren't just buying one game because the jackpot is high, they are buying both of them. Both games are progressing along nicely.

Executive Director Hedinger stated that our social media stats continue to be very healthy.

Executive Director Hedinger reported that our website visitor summary stays very consistent each month.

Executive Director Hedinger stated that the VIP Club increased its membership with 3,462 new registrations during the month. We now have 429,987 active members.

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

Executive Director Hedinger reported that all of our pools were closed according to procedures with no abnormalities.

Executive Director Hedinger stated that in the Public Information Office, Judy Drucker left our employ to go work for another agency a few weeks ago. In the years she was here, she was instrumental in expanding our PIO reach with very creative press releases and many news conferences that were held. She was very enthusiastic about her job. She never took no for answer, which isn't a bad thing. She did our Department a lot of good with publicity. We wish her a lot of luck.

Executive Director Hedinger noted that there were a great number of press releases issued. We do a lot of winner awareness because winner awareness really counts with people. When they know the lucky locations or lucky counties or towns, that the games are winnable, then that encourages them to take a chance. The way that our department advertises those wins, is very entertaining and creative.

Executive Director Hedinger stated that we continue to monitor all of our Legislative activities. There is one legislation proposed that would restrict our games to no more than two draws a day. We continue to follow it to make sure that the Legislature knows what kind of negative effect that would have on the Lottery.

Executive Director Hedinger reported that we continued our strong relationship with the Responsible Play Program and our partnership with the Council of Compulsive Gambling in New Jersey. Through November we planned our annual December Holiday Gifting Awareness press conference to emphasize that Lottery is not child's play and gifting Lottery tickets should not be done with children. We received a lot of good press on that.

Executive Director Hedinger reported that there were four Speaker's Bureau Events completed in November and there are a few scheduled for December.

Executive Director Hedinger stated that there were a great many Public Promotional Events held in November and there are many scheduled for December. We are all over the state with promotions for our games.

Executive Director Hedinger noted that there were 136 security investigations initiated during the month.

Executive Director Hedinger reported that 308 random field inspections were conducted at retailer locations.

Executive Director Hedinger stated that the Licensing unit received and processed 41 applications and 46 licenses were issued.

Executive Director Hedinger noted that at the end of November, there were 8,177 licenses issued.

Executive Director Hedinger stated that due to our efforts, along with the Department of Taxation Joint Investigation Project, there was a total of \$12,744.02 in arrearages collected in November. Year to date, we have collected \$105,458.91.

Executive Director Hedinger stated that in Technology we received new multi-function printer devices that copy, print, fax and scan. The machines replace machines that were no longer supported and needed to be upgraded with software.

Executive Director Hedinger noted in Systems and Programming, with the creation of the new Pension fund books and records, we have developed the posting of the transactions and the creation of the new reports. Our IMS Department has been troubleshooting and working with our Finance Department to get any issue that arise worked out. That project is moving along very well. We have begun posting all the July transactions and checking them to be sure that they are accurate. We will have our independent auditors audit the month of July to make sure that everything is copasetic and then we will post the other months. We will make sure everything is accounted for accurately and allocated as it is supposed to be done.

Executive Director Hedinger noted that the Validations staff received and sorted 4,018 mailed-in claim forms during the month of November with an additional 363 walk-in claims. They entered 4,812 claims into the system and 5,888 were edited. During the month, 5,360 claims totaling more than \$14 million were paid to winners, including annuity payments.

Executive Director Hedinger reported that there were 30 Social Security number matches in November. Fifteen claims were processed and garnished because of current and previous matches totaling \$12,015.67. There were two released claims from previous matches. Since inception, we have collected more than \$8 million in arrearages.

Executive Director Hedinger stated that the Retailer/Call Center Services Unit handled 5,801 incoming calls during the month. There were 98 outgoing call made, including new retailer welcoming calls and calls to congratulate Retailers selling top prizes. There were 157 requests for assistance with instant pack status changes. They also handled 2,353 winner claim status calls during the month of November of which 217 were answered at the front desk.

Executive Director Hedinger noted that the Warehouse unit received and shipped out packages.

Executive Director Hedinger noted that you will see the Northstar activities that took place during the month at the end of the report.

Executive Director Hedinger reported that this concludes the Director's Report but she wanted to give a report card to the Commission on what we have accomplished in the last 7 1/2 years.

Executive Director Hedinger stated that she came in June of 2010 to a Lottery that she thought was demoralized, somewhat leaderless, there wasn't a strong sense of the Lottery mission, and they didn't know their direction. We were quickly thrust into some really big changes. The first was losing NJN studios. We didn't have a broadcast studio for our draws. They televised our nightly draws for decades. Through an auspicious hiring of a person who happened to have the talent to know how to do it, we live streamed our draws beginning July 1, 2011. When NJN went off the air on June 30, the next day we live streamed our draws out to the internet. It was quite an accomplishment. We took a chance and quickly we were on television with an arrangement with CBS in New York and Philadelphia to cover the state with television production. We created our own studio from unused office space, we brought in the cameras. We do not only live stream, we also streamed them out to the television studios. That hadn't been done at the other Lotteries. It became known as the "Jersey Method." Other Lotteries came here to see how we were doing it. We were saving a lot of money on doing this in house, with our staff, in our production studios, with equipment that is not expensive. What we used to spend on NJN, we didn't spend a fraction of that to do it ourselves. Over the years we have developed that into videography, video streaming, we can go on a remote location and stream directly to television stations. She is very proud of that major achievement.

Executive Director Hedinger noted that this was quickly followed by the RFP for Sales and Marketing Services, which was a huge change for the Lottery. We had to now implement a contract with a private company to take over sales and marketing. Our whole marketing and sales departments disappeared but in that transition to partnering with a private company, no employee lost a job. When they left the Lottery, they were either absorbed into the new company, absorbed into the Lottery in new roles that were necessary or they took retirement. In the end it was a successful implementation giving the Lottery human, economic and technological resources that we needed in order to grow. It was a big change and not the easiest thing to do. We have done it very successfully and that is very proud of the way the staff responded to it.

Executive Director Hedinger stated that that was followed up by hitting 3 billion in sales, which was a first for the Lottery. All the while, maintaining very healthy net revenue growth. She is sure someday we'll hit 4 billion.

Executive Director Hedinger noted that we also had to write new regulations for Courier Services. Which were completed and will be published on January 1. It was a huge undertaking. They are a set of regulations that everybody in the industry is waiting for.

Executive Director Hedinger stated that we were transferred to Pensions, which is a first for the Lottery industry. We had to set up a second set of books and we are getting that done.

Executive Director Hedinger noted that we started a new game, Quick Draw. The Governor said let's do Quick Draw, so in five months we got that rolled out. It was a pretty good year.

Executive Director Hedinger stated that we received the World Lottery Association's Level 4 certification. We were the third state in the US to do that. It was a commitment that we continue to honor.

Executive Director Hedinger noted that we started a new multi-state game, CASH4LIFE. We started that with the New York Lottery. We created it and got it off the ground. Now we have nine states selling CASH4LIFE.

Executive Director Hedinger stated that we created the Business Continuity Site in Cranberry. It is completely off the Trenton grid. It is a totally independent, fully functioning back up site where we can perform every critical function of the Lottery, including our drawings. When we produce revenue and we sell a ticket for a draw, we need to do produce that draw. There is no excuse not to do it. We have never failed and we don't expect that we ever will.

Executive Director Hedinger stated that there are a few people she wanted to talk about. With all those achievements, she would love to say she did it, but we did it as a team, with this wonderful staff, the best bunch of people to work with. This is one of the finest working groups in the State of New Jersey. They never fail to rise to the challenge no matter what we have thrown at them, they have done it.

Executive Director Hedinger stated she wanted to first recognize Margaret Square, our Deputy Director of Operations. She is the longest service employee of the Lottery. Margaret runs the Validations and Operations Department, which is where all the money gets paid. She also oversees the Warehouse. Margaret brought Nikki Apeadu and Robert Ptaszenski. Robert manages the Warehouse and he is the one that got it in tip top shopped and looking beautiful. Nikki Apeadu supervises the Validations unit and does a wonderful job making sure that all the claims that we receive for processing, gets done accurately and quickly. She's done a great job. Eileen Sadlik, who isn't here today, runs the 800 room. It is important because that is our connection to the public and our retailers. Everybody that works at the Lottery has one job, and that is to sell Lottery tickets. Their jobs sell Lottery tickets because without them we don't sell tickets. Thank you Margaret and her staff. Please let your staff know what a great job they do.

Executive Director Hedinger stated she wanted to acknowledge Duane Daniels, our Deputy Director of Security, who handles all the investigations or complaints or problems. He is assisted by Tom Weber. Duane and his staff are also responsible for the licensing of our retailers and the verification of all high tier winning tickets. Without Security making sure the integrity of the Lottery is maintained, people would soon lose faith and stop buying lottery tickets. Once again, those are people that sell our lottery tickets

just by the jobs they do. Please let your Security Investigators know how grateful we are for the work that they do.

Executive Director Hedinger stated she wanted to recognize Megan Mazzoni, our Deputy Director of Administration and Contract Compliance. This is a new unit that we put in place with the Northstar Contract because if we were going to have a partnership with a private company, we needed to make sure that all of the details of service agreement are adhered to and that everything works fine. We also needed a conduit between existing Lottery and Northstar personnel to make sure that communication between them was operating smoothly. Megan Mazzoni introduced Janetta Foy, who is deals with all retailer issues. She also introduced Melissa Williams, Frances Edwards and Kalliopi Kostis, who are responsible for making sure all the game rules are brought in. All of the communications between us and Northstar that has to do with retailers runs through Megan Mazzoni's office. Along with anything else we throw at her.

Executive Director Hedinger stated she wanted to acknowledge John White, our Deputy Director of Finance, who took over for Steve Palmieri. John and his staff makes sure that sales are recorded and the money is collected, which is one of the most important jobs of the Lottery. But no more important than anything else that anyone else does. But once again, it's the reason why we sell lottery tickets because that staff brings the money in and makes sure it's accounted for. John White introduced Tom Bishop, who is in charge of our Accounting Operations unit. His staff makes sure our annuitants get paid and that the IRS and Taxation get paid. He introduced Jason Cromwell, who has the Collections unit under him. He has the job of going out and getting the money from the people who don't pay us on time. He also introduced William Wilson who is in Financial Reporting. His staff handles the prize settlements and helps get the settlements out to the other states on the multi-state games. He then introduced the Assistant Deputy Director for Finance, Charlene Mello, who is his right hand and steps in wherever she is needed to help. He acknowledged Janice Eckstein, who is a Consultant that is helping with the Lottery transfer act and Steve Palmieri. Last month Chairman Ragazzo complemented the charts, on how useful they are, and that credit belongs to Steve. He designed those charts and they really do work like a charm.

Executive Director Hedinger announced that John White will be the Acting Executive Director of the Lottery when she retires.

John White thanked the Treasurer and the Chief of Staff for their confidence in him. He also thanked Executive Director Hedinger for all her support over the years and for bringing him over here four years ago from the Division of Administration. He feels like he is succeeding temporarily the legend on Vince Lombardi's scale in keeping this ship straight ahead.

Executive Director Hedinger stated that keeping straight ahead is good, but we break outside the lines whenever we need to.

Executive Director Hedinger stated she wanted to recognize Michael DeCheser, our Director of Media and Broadcast, who is the one that had the talent and knowledge to get us on the air. He is the one that is responsible for our live streaming efforts. Michael is the go to guy now in the industry for how to get these things done. He does our videos. It was wonderful that he came to work at the Lottery at the time when we needed him the most. And we had to figure out a solution that seemed insurmountable at the time. Michael also oversees the Drawings. Michael DeCheser introduced Regina Arcuri. He stated that every month, you see that the drawings and pool closings were held with no abnormalities. The same is with all of our MUSL games, all of that you see every month, could go south very, very quickly. We do, at minimum, two live drawings each day, mid-day and evening. The reason you see no abnormalities every month, is because of Regina. Thank you for that.

Executive Director Hedinger stated that Regina has been instrumental in being the kind of detailed oriented person that can go through something like a drawing and break it into all of its tiny pieces and have not only how you do it, but then what the backup plan is if the first way doesn't work. We had a machine break during a rehearsal this week, we got our second machine out of storage and got it tested and ready to go. No one in the public would have thought that we had problem. Michael DeCheser stated that Nikki Apeadu was the supervisor that night and in fourteen minutes we were able to swap out that machine and make it to broadcast without missing a beat, while still going through all of our rehearsals and satisfying our Mercadien requirements to make sure the drawing goes flawlessly.

Executive Director Hedinger stated that is what she loves about this staff, they can think for themselves, they do not need to have someone standing over them telling them what to do next. They will make a decision and act on it because they know their job so well. Regina has detailed it down to everyone knows what to do. It's a team effort. Everyone is cross trained and knows everything. Thank you to that staff. Because we wouldn't sell tickets if we didn't have a draw.

Executive Director Hedinger stated she wanted to acknowledge Richard Pagnani, our Manager of our Information Systems, who assumed those duties after the implementation of the Northstar contract in October 2013. We have had on-going difficulties in dealing with outside forces that try to control our IT infrastructure, not to our advantage at times, and Rick has to be the guy in the middle between our demands and other people's demands outside of Lottery and try to make it work right. Rick introduced Prerna Mukhija, the IMS Supervisor, who is his right hand person. She helps to handle a lot of day to day activities and she keeps him well informed. She does a great job. From the operations department, he introduced Gail Wright. She is a technician and helps handle the help desk calls. He introduced Scott Golonka, our Programmer. Scott's primary task is helping to create that second set of books in Epicor. He is a Programmer and the Database Administrator for us. He wears a couple hats. He introduced Don Smart, who straddles the programming department and the operations department. He's trying to transition from operations into programming. He also helps with various IT problems that exist.

Executive Director Hedinger stated that whenever there is a problem, she just says to find Don. That is a unit that supports the entire Lottery. Right now with all the work that Scott is doing to get the books and records set up for the Pension transfer, it's another case of a unit of the Lottery that if it weren't there, we wouldn't sell lottery tickets. They sell lottery tickets by the work that they do. Just by keeping us all running. Thanks to that staff. Also, Gail has been with us for 40 years. She and Margaret are real veterans of the lottery organization.

Executive Director Hedinger introduced Mary Ann Rivell, who has taken over Judy Drucker's role in the Public Information Office. Mary Ann sits on the Board of the Council of Compulsive Gambling. She also does our Speaker's events and now she is doing a little double duty overseeing the daily press releases and everything else we need to get out to publicize our winners or our prizes. She is also very involved in the Responsible Gaming area. She is not afraid to take on extra work and just get the job done.

Executive Director Hedinger stated that is the major units of the Lottery. They represent the other dozens of people that work here under them that keeps us running smoothly every day.

Executive Director Hedinger acknowledged the Northstar staff, Russ Knapp, Bill Murray and Sarah Brennan who work with us on a day by day basis to make sure that Lottery sales, not only keep up, but they grow and that our marketing efforts in all of our games are healthy. They work in step with us and we try to work in step with them. Bill Murray is retiring in the near future, too. He was the former attorney for the New York Lottery and has acted as council for Northstar. Without that partnership, we would not have the success that we have had in the last few years. They brought great assets to the work that we do.

Executive Director Hedinger stated that this is how we achieved great progress in the last 7 1/2 years. Because of this staff and all their efforts.

Chairman Ragazzo thanked Executive Director Hedinger.

Chairman Ragazzo asked if there were any questions or comments.

Commissioner Slater stated that in all of his years in business, and it's been a few, this is the finest crew of people that he has ever worked with and next to. Executive Director Hedinger is the most outstanding leader he has ever seen in this kind of a capacity. People talk about government versus the private sector, but nobody can stand ahead of what the New Jersey Lottery has achieved. He thanked her on behalf of the Board, the Lottery and all the citizens of New Jersey.

Executive Director Hedinger thanked Commissioner Slater.

Vice Chairman Toscano stated that he not only wants to echo what Commissioner Slater said, but that he has been practicing law for 32 years and he has never seen any individual like Executive Director Hedinger. She is so dedicated, committed and knowledgeable in a specific area the way she was. He has relayed that to several individuals, including the Governor, including several State Senators and State Assemblyman. In making that clear, and having conversations with these individuals, he can tell you that they agreed with what he has said, and obviously what Commissioner Slater and everyone else thinks, about Executive Director Hedinger. He stated that he has never seen any staff like those at Lottery, especially at a State level or a public sector, who gets done what we have gotten done. He has never learned so much from somebody the way he has from Executive Director Hedinger and the staff in the last 18 months. He appreciates everything she has done and that she has left a lasting impression on him. He wished her his congratulations. He stated that she deserves every positive that comes her way, as does her entire staff. It's been a pleasure.

Executive Director Hedinger thanked Vice Chairman Toscano.

Chairman Ragazzo stated in echoing both Commissioner Slater and Vice Chairman Toscano, he thinks it's more important what Commissioner Slater had to say because in his world, he's been involved in State, County and local governments. In comparing the agency to his world, it's far and above the best agency he's ever been involved with. He had dealt with pretty much every state agency and, unfortunately, everybody is lumped into the generalization of being a state worker, which is really unfair. With that standard of state workers, this is a State agency, but it's different. Revenue of 3.1 billion astonishes people. There are very intelligent people out there. If you ask them, they always have criticism. People think the lottery does \$10 or \$12 million a month, but we do that in almost a day. Executive Director Hedinger and her staff know what they are doing. She is well respected. This is the best run organization. It's a team effort. He has nothing but respect for Executive Director Hedinger. He is proud to be the Chairman of this organization. He wished her the best of luck.

Executive Director Hedinger thanked Chairman Ragazzo.

Commissioner McDonough stated that he has been with Lottery for a shorter period of time than everyone else, but in that short period of time, it's been obvious to him how great of an organization this is. Executive Director Hedinger and everyone that he has interacted with has been extremely knowledgeable and helpful. He wished her well and the best in whatever she chooses to do next.

Executive Director Hedinger thanked Commissioner McDonough. It's been a pleasure working with him as the new incoming member of our Board. She thinks he'll find it to be one of the better things he does being associated with the Lottery. It'll be a good partnership.

Treasurer Designee Matt Spadaccini stated on behalf of the Treasurer, he wanted to be here today but was attending meetings in New York City, he asked me to thank you for your service as he communicated to you yesterday. We congratulate you on your retirement. On behalf of the Treasurer's Office, as Debbie knows, we constantly hit the button on my phone that connects me to your office. She can probably tell by the tone of my voice if we're going out of our minds about something or running around trying to figure out some crisis that we think is a problem. We have 13 divisions, 3,000 employees in Treasury and when I called Lottery and I talked to you, you are always calm, always cool and always collected. And you always had the answer. When you give us that answer, myself, Will, Shannon and everyone else in the Treasurer's office knows we can trust that answer, that we can run with it. When you went before the Senate Committee, everyone in the Treasurer's Office was running around and you were very nice and calm. You went before the Committee and it was over quicker than any of us anticipated because you answered their questions and they didn't even have follow up questions. Every other experience, like when we rolled out Quick Draw, and at the last second I asked you to come to the press conference, you showed up there ready to go. It's always been an experience like that. On behalf of the Treasurer's Office, I wanted to thank you and give you a couple of things.

Treasurer Designee Spadaccini presented Executive Director Hedinger with a Proclamation from the Treasurer, which lists most of the accomplishments she has gone through. Earlier she went around and thanked all the staff. Everyone in this room is responsible for this and all of the accomplishments because they play such a huge part in it. But, without a leader like Executive Director Hedinger, I don't think we would have been able to accomplish it.

Treasurer Designee Spadaccini presented Executive Director Hedinger with a letter from Governor Christie thanking her for her services and congratulating her on her retirement.

Executive Director Hedinger thanked Treasurer Designee Spadaccini. She thanked everyone for their kind comments, they are greatly appreciated. She will take them on behalf of this wonderful staff. She is so glad that they are able to be here and share this with her today. She will miss them. They are the greatest bunch of people. They know their mission, they know what they are about, they know what to do and they'll go on without her. She will miss them, and in her entire professional career, she has never been involved with anything as wonderful as this association. It has enriched her life. So thank you all very, very much.

Chairman Ragazzo requested a motion to approve the Director's Report. Commissioner Slater made the motion which was seconded by Vice Chairman Toscano.

NEW BUSINESS

Chairman Ragazzo requested a motion to approve the 2018 meeting schedule. Commissioner Slater made the motion which was seconded by Vice Chairman Toscano. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

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. 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.

Chairman Ragazzo requested a motion to approve the instant ticket game rules for "Lucky Times 20" and "Dazzling Diamond Spectacular." Commissioner Slater made the motion which was seconded by Vice Chairman Toscano. Chairman Ragazzo asked if there were any comments and there being none the motion carried.

EXECUTIVE SESSION

There was no Executive Session.

PUBLIC COMMENT

There was no Public Comment.

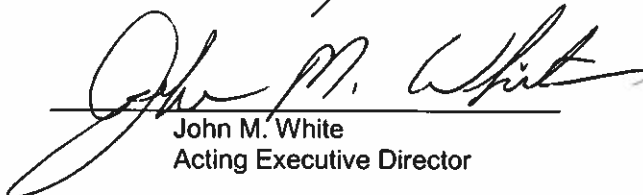
ADJOURNMENT

Chairman Ragazzo asked for a motion to adjourn the Public meeting. Vice Chairman Toscano 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 December 19, 2017.

IN WITNESS WHEREOF, I hereby set my hand on

the 23 day of JANUARY, 2018.



John M. White
Acting Executive Director