

## NEW JERSEY STATE LOTTERY COMMISSION

### PUBLIC MEETING FEBRUARY 22, 2024

Chairman D'Anton called the Commission meeting into session at 10:00 a.m.

#### COMMISSION MEMBERS

Robert D'Anton, Chairman  
Ian Leonard, Vice Chairman  
Munr Kazmir, Commissioner (by phone)  
Michael Kanef, Treasurer's Designee  
Gary Terwilliger, Division of Investment Designee

James A. Carey, Jr., Executive Director  
Marc J. Marseglia, Deputy Executive Director  
John White, Deputy Director of Finance  
Roza Dabaghyan, Deputy Attorney General  
Robert E. Kelly, Deputy Attorney General (by phone)  
Dorian Smith, Governor's Auth. Unit (by phone)

#### VISITORS

Adam Perlow, Northstar  
Sam Fromkin, Northstar  
Foster Krupa, Northstar  
Erin Leon, Northstar  
Joe Cavallo, Northstar (by phone)  
Erica Helms, Northstar (by phone)  
Kristen Connelly, Northstar (by phone)  
Pat O'Neill, Northstar (by phone)  
Roy Campbell, Newark NJ  
Teresa Jones, Neptune NJ

Executive Director Carey took roll call.

After the Pledge of Allegiance, Chairman 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.

Chairman D'Anton requested a motion to approve the minutes of the January 18, 2024 Commission meeting. Chairman D'Anton asked if there are any questions or comments. Hearing no questions, Chairman D'Anton requested a motion to approve the minutes of the January 18, 2024 Commission meeting. Vice Chairman Leonard made the motion to approve the minutes of the January 18, 2024 Commission meeting. Treasurer's Designee Kanef seconded the motion. Chairman D'Anton called for a vote and all the Commissioners voted yes. The motion carried.

#### DIRECTOR'S REPORT

Executive Director Carey stated that the highlight in January was the performance of Jersey Cash 5. During the month of January, the Lottery held its "Winning Wednesdays" promotion. On January 10, the Jersey Cash 5 jackpot should have been \$272,000 and it was bumped up to \$1 million. The jackpot was approximately \$1.7 million when it was won on January 13. The jackpot was seeded with an extra \$1 million from the reserve fund that was created when changes were made to Jersey Cash 5 several years ago in case the jackpots were underfunded. The Winning Wednesdays promotion promoted other games during the month and was well-received by players.

#### STAFF

Nikki Apeadu (by phone)  
Pat Coppel (by phone)  
Missy Gillespie (by phone)  
Jerry Guarino (by phone)  
Christina Haltmeier (by phone)  
Dean Ialacci (by phone)  
Shelina Islam  
Robert Kersey (by phone)  
Jason Lee (by phone)  
Charlene Mello  
Ellen O'Malley (by phone)  
Joe Oleszkiewicz (by phone)  
Rick Pagnani (by phone)  
Steve Palmieri (by phone)  
Debbie Raub  
Ryan Schaffer

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

All games total sales were: \$276.4 million  
Lotto games total sales were: \$45.8 million  
Daily machine games total sales were: \$81.8 million  
Scratch-Off tickets total sales were: \$148.6 million

Executive Director Carey stated that Pick-6 had sales of \$8.1 million compared to \$5.4 million the prior year, which was an increase of 49.5%.

Executive Director Carey stated that CASH4LIFE had sales of \$5.1 million compared to \$5.6 million the prior year, which was a decrease of 8%.

Executive Director Carey stated that Mega Millions had sales of \$13.9 million compared to \$60.3 million the prior year, which was a decrease of 77%.

Executive Director Carey stated that Powerball had sales of \$18.6 million compared to \$30.9 million the prior year, which was a decrease of 39.7%.

Executive Director Carey stated that Pick-3 had sales of \$31.9 million compared to \$32.3 million the prior year, which was a decrease of 1.5%.

Executive Director Carey stated that Pick-4 had sales of \$19.4 million compared to \$20.2 million the prior year, which was a decrease of 4%.

Executive Director Carey stated that Jersey Cash 5 had sales of \$13.5 million compared to \$9.4 million the prior year, which was an increase of 43%.

Executive Director Carey stated that Cash Pop had sales of \$5.1 million compared to \$5.2 million the prior year, which was a decrease of 3.4%.

Executive Director Carey stated that Quick Draw had sales of \$7.5 million compared to \$7.6 million the prior year, which was a decrease of 0.09%.

Executive Director Carey stated that Fast Play had sales of \$4.3 million compared to \$4.4 million the prior year, which was a decrease of 2.3%.

Executive Director Carey stated that Scratch-Off games had sales of \$148.6 million compared to \$163.9 million the prior year, which was a decrease of 9.3%.

Executive Director Carey stated that All Games had sales of \$276.4 million compared to \$345.7 million the prior year, which was a decrease of 20.1%.

Executive Director Carey stated that the monthly contribution was \$83.8 million compared to \$110.3 million the prior year, which was a decrease of 24%, and represents 30.35% of sales.

Executive Director Carey stated that while the Lottery did not have a great month for sales, the contribution represented more 30% of sales. He explained that this highlights the continuing weakness in Scratch-Offs sales.

Executive Director Carey stated that fiscal year to date Pick-6 had total sales of \$47.8 million compared to \$36.1 million the prior year, which was an increase of 32.1%.

Executive Director Carey stated that fiscal year to date CASH4LIFE had total sales of \$37.2 million compared to \$36.8 million the prior year, which was an increase of 1.2%.

Executive Director Carey stated that fiscal year to date Mega Millions had total sales of \$157.8 million compared to \$227 million the prior year, which was a decrease of 30.5%. He noted that Mega Millions sales were 28% over budget, and that FY23 was a great year for Mega Millions.

Executive Director Carey stated that fiscal year to date Powerball had total sales of \$246.9 million compared to \$225.4 million the prior year, which was an increase of 9.5%.

Executive Director Carey stated that fiscal year to date Pick-3 had total sales of \$226.2 million compared to \$232.2 million the prior year, which was a decrease of 2.6%.

Executive Director Carey stated that fiscal year to date Pick-4 had total sales of \$138.4 million compared to \$147.8 million the prior year, which was a decrease of 6.4%.

Executive Director Carey stated that fiscal year to date Jersey Cash 5 had total sales of \$78.1 million compared to \$77.5 million the prior year, which was an increase of 0.09%.

Executive Director Carey stated that fiscal year to date Cash Pop had total sales of \$35.5 million compared to \$32.7 million the prior year, which was an increase of 8.5%.

Executive Director Carey stated that fiscal year to date Quick Draw had total sales of \$54.3 million compared to \$58.2 million the prior year, which was a decrease of 6.7%.

Executive Director Carey stated that fiscal year to date Fast Play had total sales of \$34.7 million compared to \$26.3 million the prior year, which was an increase of 31.7%.

Executive Director Carey stated that fiscal year to date Scratch-Off tickets had total sales of \$1.089 billion compared to \$1.172 billion the prior year, which was a decrease of 7.1%.

Executive Director Carey stated that fiscal year to date All Games had total sales of \$2.1 billion compared to \$2.2 billion the prior year, which was a decrease of 5.5%.

Executive Director Carey stated that the contribution fiscal year to date was \$663.03 million compared to \$696.1 million the prior year, which was a decrease of 4.8%, and represents 30.88% of sales. He noted that the fiscal year to date contribution was 5% over budget, and in solid shape despite the decrease from last year.

Executive Director Carey stated that fiscal year profits from lotto games were \$203.9 million or 41.6% of sales. Fiscal year profits from daily games were \$214.1 million or 37.7% of sales. Fiscal year profits from Scratch-Off games were \$238.3 million or 21.8% of sales.

Executive Director Carey stated that the top three selling non-core games for January were "\$50,000 Loaded," which generated \$8.6 million in sales, "Power 50X," which generated \$6.8 million in sales and "\$20,000 Loaded," which generated \$5.5 million in sales.

Executive Director Carey stated that there were a few high tier winners throughout the state in January. On January 31, a \$10 Jersey Jackpot ticket won \$129,456 on Fast Play Progressive jackpot. It was sold in Middlesex County. On January 13, Jersey Cash 5 had one \$1.7 million winner sold by Jackpocket. On January 19, Mega Millions had one \$1,000,000 winner sold in Bergen County. On January 31, Jersey Cash 5 had one \$1,121,336 winner sold by Jackpocket.

Executive Director Carey stated that Draft Kings acquired Jackpocket earlier in the week for \$750 million. Jackpocket has been a great partner for the New Jersey Lottery.

Chairman D'Anton asked what Jackpocket's sales are. Executive Director Carey responded that the Lottery does not disclose any individual retailer's sales.

Chairman D'Anton asked if Draft Kings came to Lottery because they wanted to be a courier as well. Ryan Schaffer, Deputy Director of Administration and Compliance, responded that the Lottery had discussions with Draft Kings. They were exploring whether or not to be a registered courier.

Executive Director Carey stated that all drawings for the month of January 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 March is Problem Gambling Awareness Month. Yesterday Felicia Grondin and Luis Del Orbe from the Council on Compulsive Gambling of New Jersey came to the Lottery to film several videos for YouTube. The videos discuss how to have a conversation with a family member who may have a problem with gambling.

Executive Director Carey stated that the Million Dollar Replay Grand Prize drawing will be held on March 15 at the Golden Nugget Hotel and Casino in Atlantic City. The Commissioners are invited to attend.

Executive Director Carey stated that the Validations staff received and sorted 4,720 mailed claim forms during the month. The number of claims received in the drop box was 430. There were 247 claims hand delivered. Staff entered 4,368 claims into the claims payment system and edited 3,391 claims. During the month of January there were 2,666 claims paid totally \$15.6 million in winnings were paid.

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 Winning Wednesdays promotion. Chairman D'Anton asked if the promotion increased sales and if it was worth the investment. Mr. Perlow confirmed that the promotion increased sales and was worth the investment.

Chairman D'Anton asked several questions about how the Winning Wednesdays promotions were advertised. Mr. Perlow discussed the use of advertising, social media and jackpot signs.

Chairman D'Anton asked if there are any questions or comments regarding the Director's report.

Chairman D'Anton asked several questions regarding the total number of retailers, and the addition or deletion of retailers. Executive Director Carey explained that the Lottery has a network of about 6,800 retailers, and that new retailers join the network every month, and other retailers end their relationship every month.

Chairman D'Anton asked if the Lottery has any plans for retail expansion. Mr. Perlow responded that Northstar has four full time recruiters recruiting new stores.

Executive Director Carey concluded the Director's report.

Chairman D'Anton asked if there are any additional questions or comments regarding the Director's report. Hearing no additional questions, Chairman D'Anton requested a motion to approve the Director's report. Vice Chairman Leonard made the motion to approve the Director's report. Investment Designee Terwilliger seconded the motion and all the Commissioners voted yes. The motion carried.

## **PUBLIC COMMENT ON AGENDA ITEMS**

Roy Campbell from Newark, New Jersey stated that players appreciate the terminals in the casinos in Atlantic City.

## **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 three Scratch-Off games.

"It's a Jersey Thing" is a \$10 ticket, a ticket quantity to be printed of 3.6 million tickets, a top prize of \$500,000, a prize payout of 66.62%, and an anticipated on-sale date of June 3, 2024.

"Easy as 1 2 3" 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 63.02%, and an anticipated on-sale date of July 1, 2024.

"Win for Life" is a \$3 ticket, a ticket quantity to be printed of 12.6 million tickets, a top prize of \$5,000 a month for life or the cash value of \$875,200, a prize payout of 66.62%, and an anticipated on-sale date of August 14, 2024. "Win for Life" is a core game. The game rules are changing because the cash value of the jackpot prize has changed to \$875,200.

Chairman D'Anton asked if there are any questions regarding the approval of the three Scratch-Off ticket game rules. Hearing no questions, Chairman D'Anton requested a motion to approve the three Scratch-Off ticket game rules for "It's a Jersey Thing," "Easy as 1 2 3" and "Win for Life." Vice Chairman Leonard made the motion to approve the three 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 two Fast Play games.

"\$250 Cash Stash" is a \$5 ticket, a top prize of \$250 or 50% of the jackpot, a prize payout of 62.33%, and an anticipated on-sale date of April 1, 2024.

"\$500 Cash Stash" 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 April 1, 2024.

Chairman D'Anton asked if there are any questions regarding the approval of the Fast Play ticket game rules for "\$250 Cash Stash" and "\$500 Cash Stash." Hearing no questions, Chairman D'Anton requested a motion to approve the Fast Play ticket game rules for "\$250 Cash Stash" and "\$500 Cash Stash." Vice Chairman Leonard made the motion to approve the Fast Play ticket game rules for "\$250 Cash Stash" and "\$500 Cash Stash." Commissioner Kazmir seconded the motion and all of the Commissioners voted yes. The motion carried.

## **PUBLIC COMMENT**

Teresa Jones of Monmouth County commented on a negative experience she had with a retailer. She felt that the response from Lottery's Security Department was not adequate. Chairman D'Anton thanked Ms. Jones for coming forward. Executive Director Carey asked Deputy Executive Director Marseglia to speak to Ms. Jones after the Commission meeting.

Roy Campbell thanked Missy Gillespie for the Lottery's news releases. He added that players still have to wait too long to get paid. Mr. Campbell researched claims procedures in other states and offered suggestions on how the Lottery could improve claims payments.

Chairman D'Anton asked if six weeks the longest that Mr. Campbell has waited to receive payment. Mr. Campbell responded no, his brother won \$20,000 on Pick-6 in November 2022 and did not get paid until February 2023.

Mr. Campbell stated that he realizes that we have a private company handling Lottery so it is not as direct as the other states that handle their own payouts. Executive Director Carey responded that the Division of Lottery handles the payouts, and the private company, Northstar, handles our sales and marketing. Mr. Carey stated that paying players in a timely manner is the State's responsibility.

Chairman D'Anton asked if this has always been his experience in New Jersey. Mr. Campbell responded that yes, this has been the experience.

Vice Chairman Leonard stated that he likes how much knowledge Mr. Campbell has about this. Mr. Campbell thanked Vice Chairman Leonard.

Chairman D'Anton stated that he thought Lottery was trying to fix issues paying claims. Executive Director Carey responded that the Lottery continues to work on the issue. Mr. Carey explained that the Lottery has devoted additional resources to the Claims Department, and is working on improvements such as ACH payments. Mr. Carey added that constraints, such as requirements to use a State vendor to print checks, will continue to add time to the process.

**EXECUTIVE SESSION**

There was no Executive Session.

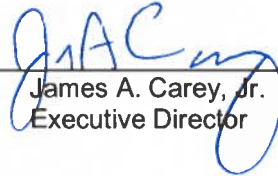
**ADJOURNMENT**

Chairman D'Anton asked for a motion to adjourn the Public meeting. Commissioner Kazmir made the motion to adjourn. Vice Chairman Leonard 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 February 22, 2024.

IN WITNESS WHEREOF, I hereby set my hand on

the 14th day of March, 2024.

  
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James A. Carey, Jr.  
Executive Director