

## **NEW JERSEY STATE LOTTERY COMMISSION**

### **PUBLIC MEETING SEPTEMBER 19, 2024**

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

#### **COMMISSION MEMBERS**

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

#### **VISITORS**

Joe Cavallo, Northstar (by phone)  
Sam Fromkin, Northstar  
Erica Helms, Northstar (by phone)  
Foster Krupa, Northstar  
Erin Leon, Northstar  
Adam Perlow, Northstar

#### **STAFF**

James A. Carey, Jr., Executive Director  
Marc J. Marseglia, Deputy Executive Director  
Ryan Schaffer, Deputy Director  
John White, Deputy Director  
Pat Coppel (by phone)  
Roza Dabaghyan  
Scott Davis (by phone)  
Missy Gillespie  
Jerry Guarino (by phone)  
Dean Ialacci (by phone)  
Ashleigh Jones  
Robert Kersey (by phone)  
Kelly Laird  
Jason Lee (by phone)  
Jack Leo  
Charlene Mello  
Ellen O'Malley  
Joseph Oleszkiewicz (by phone)  
Rick Pagnani  
Steve Palmieri (by phone)  
Debbie Raub  
Samuel Kovach-Orr (by phone)  
Esther Werstler

Chairman D'Anton requested that Executive Director Carey administer the meeting agenda because the Chairman was participating by telephone.

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.

The first item on the agenda was approval of the minutes of the August 22, 2024 Commission meeting. Executive Director Carey asked if there are any questions or comments. Hearing no questions, Executive Director Carey requested a motion to approve the minutes of the August 22, 2024 Commission meeting. Commissioner Kazmir made the motion to approve the minutes of the August 22, 2024 Commission meeting. Treasurer's Designee Kanef seconded the motion. Executive Director Carey called for a vote and all the Commissioners voted yes. The motion carried.

#### **DIRECTOR'S REPORT**

The Executive Director discussed the Lottery's financial performance during the month of August. The Executive Director reviewed the Lottery's revenue report for the month, which is set forth below:

**REPORT OF THE EXECUTIVE DIRECTOR (UNAUDITED)  
SEPTEMBER 19, 2024 (AUGUST RESULTS)**

(\$ in Millions)

MONTHLY NET SALES RESULTS							
	Actual August-24	Actual August-23	\$ Chg	% Chg	FY 25 Budget August-24	% Over -Under	
Pick-6 Double Play	\$ 5.40	\$ 7.76	\$ (2.36)	-30.4%	\$ 6.74	-19.9%	
CASH4LIFE	5.18	5.51	(0.33)	-6.0%	5.40	-4.1%	
Mega Millions	21.92	50.74	(28.82)	-56.8%	23.15	-5.3%	
Powerball	12.55	21.24	(8.69)	-40.9%	20.74	-39.5%	
<b>Lotto Games Total</b>	<b>\$ 45.05</b>	<b>\$ 85.25</b>	<b>\$ (40.20)</b>	<b>-47.2%</b>	<b>\$ 56.03</b>	<b>-19.6%</b>	
Pick-3 FIREBALL	\$ 32.48	\$ 32.33	\$ 0.15	0.5%	\$ 33.92	-4.2%	
Pick-4 FIREBALL	19.26	19.56	(0.30)	-1.5%	20.71	-7.0%	
Jersey Cash 5 XTRA	15.01	11.45	3.56	31.1%	14.37	4.5%	
Cash Pop	5.27	4.96	0.31	6.2%	5.11	3.1%	
Quick Draw Progressive	7.36	8.29	(0.93)	-11.2%	9.55	-22.9%	
Fast Play Progressive	4.33	6.27	(1.94)	-30.9%	5.36	-19.2%	
<b>Daily Mach. Games Total</b>	<b>\$ 83.71</b>	<b>\$ 82.86</b>	<b>\$ 0.85</b>	<b>1.0%</b>	<b>\$ 89.02</b>	<b>-6.0%</b>	
<b>Scratch Off Tickets</b>	<b>\$ 156.25</b>	<b>\$ 154.95</b>	<b>\$ 1.30</b>	<b>0.8%</b>	<b>\$ 161.64</b>	<b>-3.3%</b>	
<b>Daily Games Total</b>	<b>\$ 239.96</b>	<b>\$ 237.81</b>	<b>\$ 2.15</b>	<b>0.9%</b>	<b>\$ 250.66</b>	<b>-4.3%</b>	
<b>NJ Only Games</b>	<b>\$ 245.36</b>	<b>\$ 245.57</b>	<b>\$ (0.21)</b>	<b>-0.1%</b>	<b>\$ 257.40</b>	<b>-4.7%</b>	
<b>All Games Total</b>	<b>\$ 284.99</b>	<b>\$ 323.06</b>	<b>\$ (38.07)</b>	<b>-11.8%</b>	<b>\$ 306.68</b>	<b>-7.1%</b>	
FISCAL YEAR TO DATE NET SALES RESULTS							
	Actual FY 2025	Actual FY 2024	\$ Chg	% Chg	Budget FY 2025	% Over -Under	
Pick-6 Double Play	\$ 9.92	\$ 17.86	\$ (7.94)	-44.5%	\$ 13.47	-26.4%	
CASH4LIFE	10.21	11.15	(0.94)	-8.4%	10.74	-4.9%	
Mega Millions	36.13	92.71	(56.58)	-61.0%	46.30	-22.0%	
Powerball	25.54	76.07	(50.53)	-66.4%	43.07	-40.7%	
<b>Lotto Games Total</b>	<b>\$ 81.80</b>	<b>\$ 197.79</b>	<b>\$ (115.99)</b>	<b>-58.6%</b>	<b>\$ 113.58</b>	<b>-28.0%</b>	
Pick-3 FIREBALL	\$ 64.78	\$ 65.13	\$ (0.35)	-0.5%	\$ 68.19	-5.0%	
Pick-4 FIREBALL	38.66	39.39	(0.73)	-1.9%	41.61	-7.1%	
Jersey Cash 5 XTRA	33.22	20.76	12.46	60.0%	26.86	23.7%	
Cash Pop	10.41	9.67	0.74	7.7%	9.81	6.1%	
Quick Draw Progressive	14.97	15.97	(1.00)	-6.3%	19.04	-21.4%	
Fast Play Progressive	8.48	12.77	(4.29)	-33.6%	10.75	-21.1%	
<b>Daily Mach. Games Total</b>	<b>\$ 170.52</b>	<b>\$ 163.69</b>	<b>\$ 6.83</b>	<b>4.2%</b>	<b>\$ 176.26</b>	<b>-3.3%</b>	
<b>Scratch Off Tickets</b>	<b>\$ 307.61</b>	<b>\$ 310.27</b>	<b>\$ (2.66)</b>	<b>-0.9%</b>	<b>\$ 322.82</b>	<b>-4.7%</b>	
<b>Daily Games Total</b>	<b>\$ 478.13</b>	<b>\$ 473.96</b>	<b>\$ 4.17</b>	<b>0.9%</b>	<b>\$ 499.08</b>	<b>-4.2%</b>	
<b>NJ Only Games</b>	<b>\$ 488.05</b>	<b>\$ 491.82</b>	<b>\$ (3.77)</b>	<b>-0.8%</b>	<b>\$ 512.55</b>	<b>-4.8%</b>	
<b>All Games Total</b>	<b>\$ 559.92</b>	<b>\$ 671.75</b>	<b>\$ (111.83)</b>	<b>-16.6%</b>	<b>\$ 612.66</b>	<b>-8.6%</b>	
MONTHLY PENSION FUND L CONTRIBUTION							
	Actual August-24	Actual August-23	\$ Chg	% Chg	Budget August-24	% Over -Under	
Monthly Contribution	\$ 83.81	\$ 103.74	\$ (19.93)	-19.2%	\$ 92.51	-9.4%	
% of Sales	29.41%	32.11%			30.16%		
FISCAL YEAR TO DATE CONTRIBUTION							
	Actual FY 2025	Actual FY 2024	\$ Chg	% Chg	Budget FY 2025	% Over -Under	
Total Contribution	\$ 162.11	\$ 218.14	\$ (56.03)	-25.7%	\$ 184.81	-12.3%	
% of Sales	28.95%	32.47%			30.17%		
<b>Avg. Jackpots</b>	<b>August-24</b>	<b>August-23</b>			<b>FY 2025</b>	<b>FY 2024</b>	
Jersey Cash 5 (k)	\$440.8	\$309.2			\$518.1	\$249.4	
Pick 6 (m)	\$5.7	\$12.1			\$4.4	\$15.4	
Mega Millions (m)	\$475.3	\$475.9			\$353.0	\$547.8	
Powerball (m)	\$100.0	\$247.1			\$95.9	\$368.1	

Executive Director Carey stated that the Commission meetings will need to be conducted remotely, by telephone, starting in October or November. The Lottery will be doing construction in the Commission meeting room.

Executive Director Carey stated that the monthly income statement always includes budgeted amounts for the month and for the year to date. He explained that the budget cannot account for the unexpected peaks in sales that are generated by large Powerball and Mega Millions jackpots.

Net Proceeds for the Fiscal Year to date exceed \$162.11 million or 28.95% of sales. Executive Director Carey stated that fiscal year profits from lotto games were \$30.1 million or 36.8% of sales. Fiscal year profits from daily games were \$63.2 million or 37% of sales. Fiscal year profits from Scratch-Off games were \$67.6 million or 21.9% of sales.

Executive Director Carey stated that the top three selling non-core games for August were "200X Cash Blitz," which generated \$17.3 million in sales, "Neon Cash Party," which generated \$6.8 million in sales and "\$50,000 Loaded Platinum Payout," which generated \$5.7 million in sales. Mr. Perlow added that Neon Cash Party was the best-selling \$10 ticket in the last 3 years.

Executive Director Carey stated that there were many high tier winners throughout the state in August. On August 5, Jersey Cash 5 had one \$1,217,123 winner in Monmouth County. On August 5, CASH4LIFE had one \$1,000 a week for life winner in Gloucester County. On August 9, Jersey Cash 5 had one \$1,000,000 winner in Bergen County. On August 16, Mega Millions had one \$1,000,000 winner in Union County. On August 27, Jersey Cash 5 had one \$1,386,281 winner in Bergen County.

Executive Director Carey stated that in early June, the responsibility for Drawings transferred from the Finance department to the Compliance department to improve segregation of duties. Draw and pool procedures have remained the same. We have gotten more precise with how we have written the section on drawings and pool closings, so you will see that there was a couple of incidents. All these incidents were minor. He explained that the wording of the section will be edited in the future so that we are not reporting minor incidents that did not cause a significant draw delay. We will report to the Commissioners when there are significant time delays or real issues with pool closings.

Executive Director Carey stated that all drawings for the month of August were completed with no abnormalities with the exception of one delayed CASH4LIFE drawing on Saturday, August 10, 2024. The August 10 drawing was delayed for 30 minutes due to the Internal Control System (ICS) being down due to the weather and system power surges. Elsym, which maintains the ICS, was notified and corrected the issue. The draw took place and the results were posted. All other on-line game pools were closed according to procedures. All Powerball and Mega Millions Drawings were verified and processed with no abnormalities, with the exception of the Mega Millions Drawing on August 6, 2024. Aurora was down and Lottery staff was unable to verify the Secure File Transfer Protocol (SFTP) files. IGT was contacted and verified that the files were backed-up on their system. The files were delivered once the Aurora system was back up on August 7, 2024. The August 6 Mega Millions drawing was not delayed. 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 all on-line game pools were closed according to procedures on time. 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 there will be a change in the next few months to the way we broadcast draws. After consulting with our auditors, we are going to implement a change to enhance the security and efficiency of the draw process. Most changes that we are making will occur behind the scenes but one noticeable change will be how the live stream drawings are presented. Currently, when the video of a drawing starts, the balls are shown in the racking tubes. The balls are then dropped in the machines and the tumblers start blowing. With the new procedure, the video stream is going to start with the balls already in the mixing chambers and blowing. This adjustment is intended to eliminate human involvement after our pretesting of draws. Once the balls are pretested for anomalies, they will remain in their chambers without being reracked. What we are doing is consistent with how other state lotteries operate.

Executive Director Carey stated the Lottery issued a press release on the passing of former Lottery Executive Director Gloria Decker. She was the Executive Director in the 1970's when the New Jersey Lottery was really in its growth phase.

Executive Director Carey stated that the Validations staff received and sorted 3,708 mailed claim forms during the month. The number of claims received in the drop box was 364. There were 260 claims hand delivered. Staff entered 4,076 claims into the claims payment system and edited 4,124 claims. During the month of August there were 3,876 claims paid totaling \$10.8 million in winnings were paid.

Executive Director Carey stated that he attended the fall conference of the North American Association of State and Provincial Lotteries (NASPL). He announced that he was elected Treasurer of the Executive Board of NASPL. He is looking forward to working with NASPL.

Executive Director Carey stated that he is pleased to announce that the Lottery received two very prestigious Batches awards at the NASPL conference. Batches awards are given out to the entire lottery industry for various projects. We received a Batches award for our annual report. We also received a Batches for a digital campaign for CASH4LIFE. We are proud of the work that Northstar and their team did. Executive Director Carey congratulated Northstar's Social Media team and Digital team and Missy Gillespie, Lottery's Public Information Officer, for the work that they did.

Executive Director Carey invited Adam Perlow, Vice President and Chief Operating Officer of Northstar, to provide an update on Northstar activities. He thanked Andrea Pinar from Northstar's Graphics team for a job well done on both the annual report and the ad for CASH4LIFE. He discussed the improvements in Scratch-Off portfolio in August. That was thanks in large part to the \$30 game, \$200X Cash Blitz, which is part of the Cash Blitz family. That was the best \$30 game in the last two years. He added that the Shaq ticket will launch in January.

Executive Director Carey concluded the Director's report.

Executive Director Carey asked if there are any questions or comments regarding the Director's report. Hearing no additional questions, Executive Director Carey requested a motion to approve the Director's report. Treasurer's Designee Kanef made the motion to approve the Director's report. Commissioner Kazmir 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 four Scratch-Off games.

### **SCRATCH-OFF GAMES SUMMARY**

Instant Game	Price Point	Ticket Quantity	Top Prize	Prize Payout	On-Sale Date
RED HOT 7'S	\$2	6.6 million	\$20,000	63.03%	3-Feb-25
SIZZLING HOT 7'S	\$5	6 million	\$200,000	64.05%	3-Feb-25
SUPER HOT 7'S	\$10	8.28 million	\$500,000	66.60%	3-Feb-25
MEGA HOT 7'S	\$20	7.2 million	\$1,000,000*	69.03%	3-Feb-25

\*Annuity with cash value of \$601,400

Executive Director Carey asked if there are any questions regarding the approval of the Scratch-Off ticket game rules for "Red Hot 7's," "Sizzling Hot 7's" "Super Hot 7's" and "Mega Hot 7's." Hearing no questions, Executive Director Carey requested a motion to approve the Scratch-Off ticket game rules for "Red Hot 7's," "Sizzling Hot 7's" "Super Hot 7's" and "Mega Hot 7's." Commissioner Kazmir 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.

**FAST PLAY PROGRESSIVE GAMES SUMMARY**

Fast Play	Price Point	Top Prize	Prize Payout	On-Sale Date
WINNER WINNER CHICKEN DINNER	\$5	\$500 or 50% of the Jackpot	62.56%	4-Nov-24

Executive Director Carey asked if there are any questions regarding the approval of the Fast Play ticket game rules for "Winner Winner Chicken Dinner." Hearing no questions, Executive Director Carey requested a motion to approve the Fast Play ticket game rules for "Winner Winner Chicken Dinner." Commissioner Kazmir made the motion to approve the Fast Play ticket game rules. Treasurer's Designee Kanef seconded the motion and all of the Commissioners voted yes. The motion carried.

**PUBLIC COMMENT**

There was no public comment.

**EXECUTIVE SESSION**

There was no Executive Session.

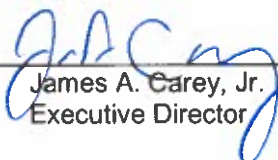
**ADJOURNMENT**

Executive Director Carey asked for a motion to adjourn the Public meeting. Commissioner Kazmir made the motion to adjourn. Treasurer's Designee Kanef 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 September 19, 2024.

IN WITNESS WHEREOF, I hereby set my hand on

the 10th day of October, 2024.

  
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James A. Carey, Jr.  
Executive Director