**PUBLIC MEETING OF THE ARIZONA LOTTERY**

**COMMISSION MINUTES October 20, 2017**

**PRESIDING** Chair Jeff Weintraub

**COMMISSIONERS** Andy Anderson, Chad Wilson, Debra Roth

**LOTTERY** Gregg Edgar, Executive Director, Chris Rogers, Director of Products & Marketing; Raynie Hosto, Director of Sales, and Biju Kamaleswaran, Chief Financial Officer

Kimberly Siddall, Karla Henriksen, Ivy Gilio, Luanne Mansanares, Roland Tang, Caroline Soto, Mary Cimaglio, Grace Wang, Susan Kalember, Stacey Henderson, Todd Terrell, Bruce Jones

**GUESTS** IGT Representatives: Russ Harben and Serena Arlotta
Scientific Games Representatives: Topper Wilson, Julio Dieppa and Janell Pratt

Owens Harkey Representatives: Scott Harkey, Dawn Kemmer, and Michael Palmgren
Attorney General Representatives: Vineet Mehta and Dena Benjamin

**PUBLIC** Quick Food Mart: Hamid Kazi and Sherri Zendri

**Call to Order** - Pursuant to the Public Notice date October 20, 2017, the Public Meeting of the Arizona State Lottery Commission was called to order at 10:03 a.m. by Chair Weintraub. A quorum was present.

Chair Weintraub entertained a motion to approve the minutes of the September 22, 2017 public meeting; Commissioner Debra Roth made the motion, Commissioner Chad Wilson seconded, all members voting aye, motion carried.

**Retailer of the Quarter** – Hamid Kazi from Quick Food Mart was awarded retailer of the quarter by Arizona Lottery Territory Manager Caroline Soto.

**Random Number Generator (RNG) Update** – Director Edgar gave an update and answered questions regarding the RNG technical issue that occurred during the period of September 28, 2017 to October 3, 2017. The director stressed the importance of transparency to the public regarding the technical difficulty. On October 4, 2017 the Arizona Lottery messaged out to players via its website [www.arizonalottery.com](http://www.arizonalottery.com), direct to retailer partners, on lottery retail point of sale systems, through customer service representatives and, a statement sent directly to news media outlets the current non-winning tickets return/exchange policy for the dates impacted. The Lottery encouraged players not to discard any tickets purchased for the games impacted for draws that occurred between 9/28/17 and 10/3/17. All major media outlets publicized the statement the following day. The Arizona Lottery is offering refunds or exchanges for players who had non–winning tickets for the following four games, 1) Fantasy 5 2) All or Nothing, 3) Pick 3 and 4) 5 card Cash that had draws occur between 9/28/17 and 10/3/17.

In addition the Lottery is also honoring all winning tickets for the same four games on the same draw dates and is paying out all prizes to players. An independent investigation is currently taking place on the Random Number Generator (RNG) machine that produced duplicate draws. This RNG was developed and operated by the Multi-State Lottery Association (MUSL). The Lottery anticipates the findings will be available by December 2017.

**Directors Report** - Director Edgar presented the beneficiary of the month. The focus this month was veterans and the Veterans Administration. The Directors presentation is attached for the official minutes.

Mr. Biju Kamaleswaran went over financial information involving comparisons to prior fiscal years. He provided information from instant, draw games, and price points. The Director’s presentation is attached for the official minutes.

Director Edgar introduced Sherri Zendri, the new Deputy Director of Legal Services for the Arizona Lottery.

**Marketing Presentation** - Mr. Chris Rogers provided a marketing update which focused on instant and draw game tickets. The ticket van will be utilized for promotional purposes and upcoming scheduled events to generate a Lottery presence

**Products Presentation** - Ms. Ivy Gilio provided a products update on games that were being presented to the Commission for approval.

**New Business** Chair Weintraub opened the floor for nominations for Commission Chair. Commissioner Anderson nominated Chair Weintraub for Chair. There were no other nominations, and Chair Weintraub entertained a motion to elect Chair Weintraub as Chair by unanimous consent Commissioner Wilson seconded. The motion carried.

Chair Weintraub opened the floor for nominations for Commission Vice-Chair. Commissioner Roth nominated Chad Wilson for Vice-Chair. There were no other nominations, and Chair Weintraub entertained a motion to elect Commissioner Wilson as Vice Chair by unanimous consent. Commissioner Anderson Second the motion. The motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding the discussion and action on instant scratch game profiles Decade of Dollars ($1) #1142, Decade of Dollars ($2) #1143, Decade of Dollars ($5) #1145, Decade of Dollars ($10) #1146, 50X Cash #1147, and Extreme Crazy 8’s #1155.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding the above mentioned profiles.

In accordance with A.R.S. §5-554 (C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding new instant scratch game profiles: #1142,#1143, #1145, #1146, and #1155. Commissioner Anderson moved;

Commissioner Wilson seconded. All members voting aye, the motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding the discussion and action on Cash Adventure Second Chance Drawing Promotion Profile #83.

In accordance with A.R.S. §5-554 (C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding Cash Adventure Second Chance Drawing Promotion Profile #83. Commissioner Wilson moved; Commissioner Anderson seconded. All members voting aye, the motion carried.

Chair Weintraub asked if any members of the public wanted to address the Commission regarding the discussion and action on Fast Play game profiles: Piggy Bank Bucks #100, Jackpot Party Progressive #101, Crazy 8’s #102, and Cherry Twist Progressive #103.

In accordance with A.R.S. §5-554 (C), Chair Weintraub entertained a motion to approve the order and authorize the Director to issue the order regarding Fast Play profiles #100, #101, #102, and #103. Commissioner Wilson moved; Commissioner Anderson seconded. All members voting aye, the motion carried.

**Call to the Public** Chair Weintraub invited members of the public to speak before the Commission. There were no responses from the public.

**Announcements** The next Commission meeting will be held November 17, 2017, at 10:00 a.m.

**Adjournment** Chair Weintraub entertained a motion to adjourn: Commissioner Roth moved; Commissioner Wilson seconded. All members voting aye, the motion carried. Meeting adjourned at 10:57 a.m.

**Materials** A copy of the agenda and background material provided to Commission members, which is not exempt by law from public inspection, is available for public inspection at least 24 hours in advance of the meeting at the Lottery Office located at 4740 East University Drive, Phoenix, Arizona.

**Notice** Any amendments or additions to the agenda will be made available at least 24 hours prior to the meeting.