

NORTH CAROLINA EDUCATION LOTTERY COMMISSION

Meeting Minutes

Members in Attendance: Dr. Charles Sanders, chair
Robert Farris
Linda Carlisle
Max Cogburn
Bridget-Anne Hampden
Robert Appleton
James Woodward (via telephone)
John McArthur
Secretary Bryan Beatty

Meeting was held on March 14, 2006 at 9:30 a.m., ABC Commission Room, 5th Floor Administration Building, 116 West Jones Street, Raleigh, NC.

I. Introduction and Opening

- Dr. Sanders called the meeting to order by reiterating the Commission's firm commitment to serving the people of North Carolina, by providing funds for education which is devoted to specific purposes as defined by statute and should truly be additive and supplemental.

II. Approval of Minutes

- Mr. McArthur made the motion to approve the minutes from the March 7, 2006 meeting.
- Ms. Hampden seconded the motion.
- The minutes were approved.

III. Problem Gambling- Dept. of Health and Human Services

- Dr. Sanders invited Flo Stein, Community Policy Management Chief, Department of Health and Human Services (DHHS), to address the Commission concerning the initiatives proposed by DHHS.
- Ms. Stein noted that she and her staff have been working with the NCEL to develop a plan to assist with problem gambling. She stated that DHHS will adopt a plan similar to those in other states including Nevada, Illinois

and Louisiana. Ms. Stein presented a handout to the Commission outlining the proposed initiative. She indicated the approach would be three fold including; treatment, outreach, prevention and education. Ms. Stein informed the Commission that the Problem Gambling Help Line will go live on March 30, along with the NCEL instant ticket launch.

- It was noted by several members of the Commission that the program will benefit everyone who is a victim of problem gambling, not just those associated with the lottery. The latter is but one part of the total problem.
- Dr. Sanders explained that up to \$1 million a year may be allocated to DHHS for the purpose of funding the Problem Gambling Program. He stated that the Commission will look forward to Ms. Stein's periodic updates on the program's progress.

IV. Advertising- Wray Ward Lassiter

- Dr. Sanders introduced Jennifer Appleby and her associates from Wray Ward Lassiter and invited them to update the Commission on their progress.
- Ms. Appleby expressed Wray Ward Lassiter's (WWL) excitement about being part of the launch of the NCEL. She indicated that her company is aware of the advertising requirements listed in the Lottery Act and WWL's commitment to operating within those boundaries. Mr. Shaheen noted that National Association of State and Provincial Lotteries' (NASPL) standards, though voluntary, are more complex than the state's requirements and that WWL will make every effort to adhere to those standards as well.
- Ms. Appleby informed the Commission that the television and radio commercials will begin airing on March 27 and coverage will blanket the state.
- Ms. Appleby noted that WWL is working with a minority owned business to initiate a minority apprenticeship program. Additionally, the company is working diligently to put together lists of minority owned businesses with whom they can subcontract.
- She reiterated WWL's desire to offer a dual approach to advertising by making the advertising fun while incorporating the true purpose of the lottery, namely education.

V. Launch Events

- Dr. Sanders invited Alice Garland, Deputy Executive Director for Communication, to address the Commission concerning launch week events. Ms. Garland noted that the media events involving the Governor in Raleigh scheduled for the week of launch would be centered on education. There will be an event in every city where the NCEL has an office. Ms. Garland discussed the events and stated that the Governor's office will be handling the early morning and lunch time events. She noted that the media events for launch day will wrap up at 5:00pm.
- Lou Ann Russell, Deputy Executive Director for Marketing and Advertising, shared with the Commission information on the marketing events scheduled for the week of launch. She noted that her department is partnering with area radio stations for the marketing events and that these stations will be advertising the launch events to their local listeners. Ms. Russell stated that the events will be celebratory.

VI. Vendor Update

- Dr. Sanders invited Craig Fitzgerald, Account Development Manager, GTECH Corporation to address the Commission regarding the progress that GTECH has made to date.
- Mr. Fitzgerald stated that the NCEL has presented over 5000 approved retailers to GTECH for installation, to date, 3275 have had terminals installed. He noted that through March 13, over 1690 retailers have attended the mandatory training and that training session attendance is a phenomenal 99.7%. Mr. Fitzgerald stated that NCEL employee training will begin this weekend. He noted that online thermal paper is in the warehouse, as well as the first four instant ticket games. Mr. Fitzgerald indicated that all programs are on schedule for the March 30th launch date and at this time does not see any obvious obstacles to interfere with a timely launch. He stated that terminals will be activated at 6:00 a.m. on March 30. Mr. Fitzgerald also explained the call center will be handled by a minority owned business in Tennessee until the site in North Carolina is complete and that the Primary Data Center for the NCEL will be in Austin, TX until the facilities in North Carolina are complete. He expects the transition to be the third week of April, 2006.

VII. Other Business

- Mr. Shaheen indicated that the construction on the NCEL regional offices is progressing. He stated that the regional office section of the Yonkers Road facility will be complete by March 24th; however, he noted that some of the other offices may not be complete on that day. Mr. Shaheen stated that the lottery currently has 147 permanent employees on staff and plans to employ up to 160 by launch.

The meeting was adjourned.