

**Operations Committee Meeting
New Mexico Lottery Authority
August 17, 2016
MINUTES**

Call to Order: S. Baragiola called the meeting to order at 11:50 a.m., and asked for a roll call. Present and constituting a quorum were Sal Baragiola, Claude Austin and Paul Guerin.

Present from NMLA were; David Barden, Sylvia Jaramillo, Vince Torrez and Wilma Atencio. Also present were Jon Zajdel, Steve Beck with Intralot and Othiamba Uni with Think New Mexico.

Approve Proposed Agenda: S. Baragiola entertained a motion to approve the proposed agenda. C. Austin moved to approve the agenda as presented; second by P. Guerin. Carried; 3-0.

Public Comment: None.

OPERATIONS Committee Report – S. Baragiola, Committee Chair:

Conflict of Interest Policy: D. Barden reported that the changes made were to consolidate two external board policies into one policy and change the name of the policy. Upon review of policies the question of allowing the vendor or someone to purchase a ticket for the purpose of testing our back office gaming system; the current policy allows the Director of Security (EVP of Security) to do that; however, the statute does not give the Director of Security (EVP of Security) authority to do that. It gives the CEO the authority. If necessary, the CEO by memo can authorize the Director of Security to do that. Nonetheless, the CEO is statutorily obligated to do that. In addition, the lottery has combined “Board” with “Employees” to eliminate sections and pages that aren’t necessary. The updates are more concise and in line with statutory language. The changes are as follows:

- Page 1** **Definitional Section** is amended by adding a definition of term “Employee” and redefining the term “Contractor” by combining several existing definitions.
- Page 5 of 9** **Section 1** - relating to prohibited conduct, is revised by merging existing Sections 1 and 2 into one section covering both “Board Members and Employees”. References to “employees” in items “a” through “f” are added to existing Section 1.
(Existing Section 2 is now included in existing Section 1.)
Item “e,” - has been written to parallel existing statutory law.
Current Policy stated No Board member, or employee of the lottery or person residing in the household.....According to the Statue it states “No Board member, or employee of the lottery or spouse residing in the household. Following statutory language this section was updated with the term “spouse”. The lottery can’t govern “person”.
Item “f” - is the adoption of the No Purchase, No Play, No Win Policy into the revised policy.
- Page 6 of 9** **Section 2** - is stricken. *(Language has merged into Section 1 above).*
- Page 7 of 9** **Section 3** - now becomes Section 2, relating to prohibited conduct for contractors or retailers. Language is similar to Section 1 language; retailers are now merged into this section by definitional changes.
Item “e” - has been written to parallel existing statutory law.
- Page 8 of 9** **Existing Sections 4 and 5** - are merged into a new Section 3, relating to former Board Members or employees, i.e., the two year prohibition against appearing before the Lottery after leaving the Lottery.
P. Guerin advised that this section should state “former board member”. It only states former employee. D. Barden reported that is correct. The New language in this section should read “for former employee or board member of the lottery.....The same would

apply to the last sentence.....Notwithstanding the foregoing, a former employee or board member of the lottery....In addition board members are not employees, they serve on the board; "or service on the board" was added to this section, as well.

Page 9 of 9 Section 8 - is renumbered as Section 4 and the phrase "or vendor" is added to the end of item "a"

Item "d" - is modified by striking person and inserting the word "spouse".

Page 10 of 10 New Section 5- is a rewrite of an existing section with a correcting edit to reference the "CEO" and not the "VP of Security". The change brings the Policy in compliance with existing statutory law.

D. Barden reported this new section was in a separate policy called No Purchase, No Play, No Win Policy. P. Guerin asked clarification on the No Purchase, No Play, No Win Policy. D. Barden reported that the No Purchase, No Play, No Win Policy was a separate policy and was contained with the Conflict of Interest Policy. It existed in two locations...a duplicate.

Committee members discussed that Board members were not allowed to purchase any lottery tickets within the state or national. D. Barden clarified that under MUSL Rules and Standards, the CEO is the only employee prohibited in purchasing online tickets, such as Powerball, Mega Millions and Hot Lotto anywhere they're sold. D. Barden further stated that Board Members and lottery employees were allowed to purchase online games in other states, not New Mexico.

S. Baragiola entertained a motion to accept the changes as presented with the changes to page 8 of 9, section 3A, the term "or board member" will be added to the first sentence and last sentence after employee and "or service on the lottery board" will be added after "employment with the Lottery". P. Guerin made a motion to accept the recommended changes as stated by S. Baragiola; second by C. Austin. Carried; 3-0.

No Purchase, No Play, No Win Policy: D. Barden requested that this external policy be repealed, since it existed in a current policy and it is incorporated within the Code of Conduct Policy in section 1F and section 5.

S. Baragiola entertained a motion to repeal the No Purchase, No Play, No Win Policy because it existed in two policies – a duplicate policy. P. Guerin made a motion to repeal the No Purchase, No Play, No Win Policy because it existed in two policies as a duplicate; second by C. Austin. Carried; 3-0.

Other – None.

ADJOURNMENT: S. Baragiola moved to adjourn the meeting; second by P. Guerin. Carried; 3-0. The meeting adjourned at 12:07 p.m.

Paul Guerin

Sal Baragiola, Committee Chair

Date 11/16/16