

**Operations Committee Meeting  
New Mexico Lottery Authority  
August 23, 2017  
MINUTES**

**Call to Order:** S. Baragiola called the meeting to order at 10:35 a.m., and asked for a roll call. Present and constituting a quorum were Sal Baragiola and Paul Guerin. Claude Austin was absent.

Present from NMLA were; David Barden, Sylvia Jaramillo, Karla Wilkinson, Wendy Ahlm and Wilma Atencio. Also present were Jon Zajdel and Steve Beck with Intralot.

**Approve Proposed Agenda:** S. Baragiola entertained a motion to approve the proposed agenda. P. Guerin moved to approve the agenda as presented; second by S. Baragiola. Carried; 2-0.

**Public Comment:** None.

**OPERATIONS Committee Report – S. Baragiola, Committee Chair:**

**Lotto America Game Rules:** K. Wilkinson provided an overview of the new national game Lotto America – which will replace the Hot Lotto game. Hot Lotto will end October 28, 2017. There has been no decline in Hot Lotto Sales. The lottery will be notifying players and retailers that Hot Lotto will be ending by distributing a “step down process” for retailers. The current Jackpot for Hot Lotto is at \$9.6 million dollars. In addition, the Field Service Representatives (FSR’s) will begin distributing sell in sheets and new playslips to retailers the 1<sup>st</sup> week of October. The lottery will be updating the website featuring the new game, along with TV and Radio spots including Point of Sales and ticket messages. K. Wilkinson reported that the Lotto America Game will play similar to Hot Lotto and is part of the MUSL Group. Some highlights of the game are:

- \$1.00 ticket
- Starting Jackpot is \$2 million and the Jackpot has a set annuity.
- Overall odds are 1:9.63
- Jackpot odds are 1:25,989,600
- For an additional \$1, players may purchase the “All Star Bonus” which will multiply their prize by 2, 3, 4, or 5 times, excluding the Jackpot
- Players will select 5 white numbers from a set of 52 numbers and 1 “Star Ball” number from a set of 10 numbers
- The game will go on sale Sunday, November 12, 2017; the first draw is on Wednesday, November 15, 2017
- Drawings will be held on Wednesday and Saturday nights at 9:15 pm
- 13 other states are participating: Delaware, North Dakota, Iowa, Oklahoma, Idaho, South Dakota, Kansas, Tennessee, Maine, Vermont, Minnesota, West Virginia and Montana.
- New Hampshire will join in January 2018.

In addition, beginning October 28, 2017, the Mega Millions game will now cost \$2 per play. The starting Jackpot will be \$40 million. Players will select 5 white numbers from a set of 70 numbers and 1 Mega Ball Number from a set of 25 numbers. The Megaplier is still an option to multiply your prize by 2, 3, 4, 5 times, excluding the Jackpot. The first drawing will occur on Tuesday, October 31, 2017.

K. Wilkinson requested adoption and approval from the Operations Committee to recommend for the full board approval of this new game along with the game rules.

S. Baragiola made a motion to adopt and approve the Lotto America Game in accordance with the memoranda and game rules attached as presented; second by P. Guerin. Carried; 2-0.

**Website Privacy Policy and Practices:** W. Ahlm presented an overview of the changes being requested for the Website Privacy Policy and Practices. There are three minimal changes that do not change the intent of the policy, but updating the policy by removing language no longer required or needed. The changes are as follows:

- **Page 4 of 6** - Remove VIP Account collection information. This information is being adopted in our internal rules that pertain to the gaming side of operations.
- **Page 5 of 6** - Remove last sentence under 'Linked Sites'. Sentence reads, 'Please see the Legal Disclaimers on this site for further information about linked sites.' There is no additional information or necessity for further linked site information at nmlottery.com.
- **Page 6 of 6** - Remove reference to the 'Contact Page contained on this website.' The site structure of nmlottery.com has changed and contact information for the Lottery is available in the footer of all pages at nmlottery.com.

W. Ahlm is requesting approval from the Operations Committee.

Discussion of VIP Club and Rewards Program took place. The participation of players in the program has been steadily growing and players are happy with rewards program.

S. Baragiola made a motion to approve the Website Privacy Policy in accordance with the memoranda presented outlining the changes with the caveat that allows the CEO and executive staff to make editorial changes and or corrections/omissions to the policy without impeding a substantive change to the intent of the policy; second by P. Guerin. Carried; 2-0.

**Other** – S. Baragiola asked if there are any security issues/aspects that necessitate an audience with the EVP of Security or discussion? D. Barden advised that there aren't any security issues in terms of law enforcement, most of the lottery security issues deal with IT; however, the CEO will ask the EVP of Security to attend the next meeting. Committee members requested that the term "Security" be added back to the title of the Subcommittee – Security Operations Subcommittee and also add "security issues" in the Subcommittee agendas. D. Barden did advise committee members that he's been informed that the current EVP of Security is considering retirement either this year or next year and the lottery will begin the hiring process when a confirmed date has been made.

In addition, D. Barden noted that the lottery is recommending changes to its Business and Operational Policy that will include the term "Governmental" experience which may aid the lottery in its hiring of a new EVP of Security. This term will allow the lottery to award annual leave based on governmental years of service with a cap. So instead of a new employee starting at ground zero, based on their years of service they will qualify for "x" amount of leave. Committee members liked the concept.

**ADJOURNMENT:** S. Baragiola entertained a motion to adjourn the Security Operations Committee meeting. P. Guerin moved to adjourn the meeting; second by S. Baragiola. Carried; 2-0. The meeting adjourned at 11:15 a.m.



Sal Baragiola, Committee Chair

Date 11-18-17