

**Regular Meeting of Board of Directors
New Mexico Lottery Authority
December 17, 2025**

MINUTES

Call to Order: Board Chair Reta Jones called the meeting to order at 11:07 a.m. and asked for a roll call. Present and constituting a quorum were David Keylon, Reta Jones, Leo Romero, Paul Guerin, and Sal Baragiola. Othiamba Umi was absent and joined later.

Introductions: Present from NMLA staff were Wilma Atencio, David Barden, Carolyn Cabell, Linh Coonan, Michael Boland, and Vanessa Mellone. Also attending were Sheila Herrera and Elizabeth Nunez (virtually) from Baker Tilly, as well as Tracey Cohen and Matt Lynch from Scientific Games.

Approve Proposed Agenda: R. Jones proposed one change under Board Chair to move Board Initiatives to item A. and Board Elections to item B. R. Jones moved to approve the proposed agenda as amended; D. Keylon seconded the motion. Motion carried 5-0.

Approve Minutes from September 24, 2025, Board of Directors Meeting: R. Jones entertained a motion. L. Romero asked whether the date on page 2 for the Millionaire for Life game should be 2026 instead of 2025. C. Cabell responded that the date should be 2026 and that the Lottery will make the change. L. Romero moved to accept and approve the September 24, 2025, meeting minutes as amended; S. Baragiola seconded the motion. Motion carried 5-0.

Public Comment: None.

REPORTS:

Finance and Audit Committee:

October 23, 2025, Committee Meeting Minutes: P. Guerin reported that the Finance and Audit Committee meeting minutes from October 23, 2025, are correct and accepted as information.

FY 2025 Financial Audit Report: D. Barden introduced S. Herrera from Baker Tilly to present an overview of the Financial Audit for the year ended June 30, 2025. S. Herrera reported that the audit report has been approved and released by the State Auditor. The Lottery received an unmodified opinion, the highest opinion an entity could receive. S. Herrera noted three findings and included that the prior-year finding was resolved. S. Herrera thanked the Lottery team for providing the requested documents during the audit, which allowed the report to be completed on time, and for their professionalism during the process.

P. Guerin stated that the Finance and Audit Committee reviewed, vetted, and discussed the audit report at their October 23, 2025, meeting and recommended that the full Board accept the report.

P. Guerin moved to accept the FY 2025 Financial Audit Report as presented; L. Romero seconded the motion. Motion carried 5-0.

R. Jones thanked everyone involved in the audit process.

Procurement Process Engagement Report: M. Boland stated that the report provided is for informational purposes and will be sent to the Office of the State Auditor and the Legislative Finance Committee as required by the Lottery Act. Internal Audit examined all aspects of the Lottery's procurement processes to ensure transactions are approved, processed, and recorded in accordance with the Lottery's

accounting policies and procedures. It also confirms that internal procurement controls are properly designed and operate efficiently. The scope of engagement included bank checks, in-house checks, ACH payments, wires, transfers, credit cards/expense reports, and purchase orders. Internal Audit commended the Finance team for their promptness during the engagement and the high-quality work they delivered.

Internal Audit reported no findings and had no suggestions for improvement, highlighting the Finance Division's ability and dedication to excellence. R. Jones commended staff on the high praise from Internal Audit. There was general discussion regarding Internal Audit's testing processes.

Financial Statements: L. Coonan reviewed the highlights of the financial statements through October 2025. The Lottery transferred \$15.9 million to the Lottery Tuition Fund for FY26 YTD. The Lottery has transferred approximately \$1.1 billion to education since 1996. There was general discussion about sales being driven by draw games, especially during recent jackpot run-ups, and that instant game sales have declined due to higher-priced games being paused and reduced prize payouts.

CEO

Scientific Games Presentation: D. Barden reported that at a prior meeting, L. Romero inquired about iLottery. M. Lynch, President, Digital, at Scientific Games (SG), provided an overview presentation. M. Lynch defined iLottery as a digital platform used by lotteries to sell games. It helps lotteries to market to and attract new players and generate incremental revenue. M. Lynch reported that lotteries are adjusting their marketing strategies to meet consumer expectations. Data shows that iLottery does not negatively impact retail sales. iLottery platforms provide player protection and tools that support responsible play, such as play limits, player self-exclusion, age and ID verification, and geolocation technology to ensure players are within the state.

There was general discussion on retail growth and the data presented. The Board discussed the recent Attorney General opinion regarding Jackpocket operations in New Mexico related to tribal compacts. D. Barden reported that iLottery was previously approved by the Board but has not been implemented. The presentation was for the Board's informational purposes.

O. Umi joined the meeting at 11:57 a.m.

Responsible Gaming Presentation: V. Mellone, Communications Manager, gave a presentation about the Lottery's responsible gaming initiatives. V. Mellone reported that the Lottery has received a Level 3 certification in Responsible Gaming from the World Lottery Association (WLA). The Lottery hired a responsible gaming coordinator, created a responsible gaming policy, and developed a staff training program. Other initiatives include a monthly flyer to help train retailers, a Healthy Play section in the monthly retailer newsletter, a dedicated webpage at nm lottery.com, and social media posts. The Gift Responsibly campaign has been expanded, including radio, TV, digital, and outdoor messages to educate players to gift lottery tickets only to players aged 18 and older.

V. Mellone reported that the Lottery receives reports from the New Mexico Council on Problem Gambling (NMCPG) showing that 2% of hotline callers are about the Lottery, and 98% are about other types of gaming. Even with a small percentage, the Lottery is committed to continued services to the public.

D. Keylon inquired about the Level 3 certification. V. Mellone responded that there are four levels of certification through the WLA. P. Guerin asked about the number of lotteries with certification. D. Barden responded that many lotteries have level 3 certification, given that responsible gaming certification has been a national focus.

S. Baragiola inquired about the organization providing problem gaming services for the Lottery. D. Barden responded that the Lottery has a contract with the NMCPG at an annual cost of \$70,000. As the contract is

up in 2026, the Lottery will issue an RFP for Responsible Gaming Services. P. Guerin asked what type of services they provide. V. Mellone responded that the NMCPG maintains the gambling assistance hotline and directs callers to services based on their needs.

R. Jones asked whether the Lottery is mandated to provide responsible gaming services. D. Barden responded that the Lottery Act requires the Lottery to support problem gambling initiatives. There was general discussion about the services provided and Board expectations.

CEO Update: D. Barden presented information on the general Lottery industry, the recent Powerball jackpot run-up comparison, weekly instant and online sales, a fiscal-year comparison of where the money goes and increases in Oklahoma Lottery returns since eliminating their percentage return requirement. D. Barden discussed the upcoming RFPs for Responsible Gaming and Financial Audit Services, the gaming system conversion, and policies that have been reviewed and updated with non-substantive changes pursuant to Board direction. D. Barden noted that the Financial Disclosure Statements are due in January.

Board Chair

Board Initiatives: R. Jones discussed the upcoming 30-day legislative session and reported that she and D. Barden have had discussions regarding removing restrictions such as the 30% return requirement to help ensure the financial stability, viability, and growth of the New Mexico Lottery. R. Jones continued that the Board has been presented with information for a number of years about the impact of the 30% requirement on the Lottery's ability to grow. R. Jones reported she will continue discussions with the administration.

Board Elections:

R. Jones opened the discussion for the annual Board elections, noting that three positions are available: Board Chair, Vice-Chair, and Secretary/Treasurer, and that the election can be made by position or by a slate of officers.

R. Jones entertained a motion. S. Baragiola moved to retain the current slate of officers to continue serving in their current positions (R. Jones, Chair; S. Baragiola, Vice-Chair; and P. Guerin, Secretary/Treasurer) for another year; L. Romero seconded the motion. R. Jones asked members whether anyone was interested in serving as an officer. There was no further discussion.

R. Jones called for a roll call vote. D. Keylon – yes; O. Umi – yes; R. Jones – yes; L. Romero – yes; P. Guerin – yes; and S. Baragiola – yes. Motion carried 6-0.

R. Jones thanked members for their continued support.

Other: None.

Other Items: None.

Adjournment: R. Jones entertained a motion. L. Romero moved to adjourn the meeting; D. Keylon seconded the motion. Motion carried 6-0. The meeting adjourned at 1:04 p.m.



 R. Jones, Chairman
 Date: 3/18/26



 P. Guerin, Secretary/Treasurer
 Date: 3/18/26