

**LOUISIANA LOTTERY CORPORATION
BOARD OF DIRECTORS MEETING
August 25, 2017**

Chairman Roy Robichaux called the meeting to order at 10:00 a.m. in the Board of Directors Conference Room located at the Louisiana Lottery Corporation Headquarters, 555 Laurel Street, Baton Rouge, Louisiana.

I. Attendance

- A. Members Present:** Chairman Roy Robichaux, Vice Chairman Blake McCaskill, Secretary Lisa Reardon and Directors: J. T. Taylor, Verge Ausberry, Jr., Sean Wells, Butch Gautreaux, Larry Cager and Deputy State Treasurer Renee Ellender Roberie
- B. Members Absent:** Director: Heather Doss.
- C. Staff Present:** President/CEO, Rose Hudson, Senior Vice President/Secretary/ Treasurer, Karen Fournet and Senior Vice President/General Counsel, John Carruth.

II. Pledge of Allegiance

Chairman Roy Robichaux asked Director Taylor to lead the Board of Directors and all attendees in our Pledge of Allegiance.

III. Approval of the Minutes of Prior Board Meeting

Chairman Robichaux began by asking if anyone had any questions or corrections to the minutes of the June 23, 2017 Board Meeting. Vice Chairman McCaskill **moved** to approve the June 23, 2017 Board Meeting Minutes and Director Reardon **seconded** the motion. There being no objection, the minutes were **approved**. The meeting was then turned over to President Rose Hudson for the President's Report.

IV. President's Report

Ms. Hudson began by congratulating the Louisiana Lottery Corporation's Vice President of Sales, Brad Menard, for being awarded a 2017 Powers Award at the NASPL Professional Development Conference in Nashville, Tennessee. Mr. Menard was honored for his contributions to the Louisiana Lottery Corporation, including streamlining processes to improve the Louisiana lottery

Louisiana Lottery Corporation, including streamlining processes to improve the Louisiana lottery Corporation's inventory management system, launching a self-service web portal for retailers and overseeing an initiative to develop a consumer-based mobile application.

In continuing, Ms. Hudson briefed Board Members on the status of the lottery fraud case involving former MUSL Security Employee, Eddie Tipton. Eddie Tipton was convicted last year of tampering with draw machines affecting the Iowa Hot Lotto Game in 2010. On August 22, 2017, he was sentenced to twenty-five (25) years in prison for his role in the scandal.

Ms. Hudson notified Board Members that effective September 15, 2017, she will no longer be serving as President of NASPL. The new president will be Charles McIntyre, Executive Director of the New Hampshire Lottery. She added that she plans to refocus her efforts on Louisiana and will be calling each board member independently over the next few months to discuss plans for the Lottery going forward.

In concluding, Ms. Hudson recognized Quinn Dossett, Vice President of Marketing, for his idea to produce a series of six commercials to highlight the number of millionaires created in Louisiana by the Powerball Game and for his vision for the new Saints scratch-off commercial. Board Members then viewed the Powerball Croquet and SAINTS GAME ON! TV spots.

At this time, Ms. Hudson turned the floor over to Karen Fournet, Senior Vice President/Secretary/Treasurer, to present the financial report via Power Point Presentation.

Ms. Fournet began by analyzing monthly sales for fiscal years 2015-2018. She advised that sales in July started out at \$37.9 Million and jumped to \$52.2 Million to end August, which was the best August in the history of the Louisiana Lottery Corporation.

Ms. Fournet reported that Powerball sales through the end of August are at \$26 Million, which is \$8.7 million higher than last year due to the recent \$759 million jackpot. Ms. Fournet noted that players continue to experience jackpot fatigue due to large jackpots occurring close together and are not buying as many tickets.

Ms. Fournet stated that Mega Millions sales through August are \$7.1 million, which is the same as last year.

In continuing, Ms. Fournet advised that combined Powerball and Mega Millions sales through the end of August are at \$33.1 million, \$8.7 million higher than last year.

Ms. Fournet reported that Lotto sales are at \$3.9 million, down \$600,000 from last year due to lower jackpots.

Ms. Fournet informed that sales of Pick 3 and Pick 4 are projected to reach \$16.9 million through the end of August; these games continue to be the most stable games in the Louisiana Lottery Corporation's product mix. Both games have experienced growth compared to the same time period last year.

Ms. Fournet stated that sales of Easy 5 and ezmatch™ have leveled off and are at \$1.8 million, which is the same as last year.

In continuing, Scratch-off sales are strong through the end of August at \$34.4 million, up \$4.1 million from last year.

Ms. Fournet reported overall fiscal year-to-date sales of \$90.1 million through August which is \$20.5 million higher than original budget projections and \$13.2 million higher than the same time period last year.

Ms. Fournet then provided an update for the final numbers for year ending June 30, 2017. Total sales were as projected at \$455 million. The general and administrative expenses ended the fiscal year at \$18.9 million, \$1.4 million under budget.

A copy of the financial presentation is attached.

At this time, the meeting was turned over to Chairman Robichaux.

V. Board Committee Reports

Personnel Committee – Secretary Blake McCaskill advised that the Personnel Committee had a meeting today prior to the Board of Directors Meeting and a resolution is being drafted to clarify the Louisiana Lottery Corporation’s leave accrual policy on disability benefits. The resolution will be ready to review and vote on at the next Louisiana Lottery Corporation Board of Directors Meeting in October 2017.

Finance Committee – Chairman Ausberry advised that there will be an Investment and Finance Committee Meeting held prior to the next Louisiana Lottery Corporation Board of Directors Meeting.

Bylaws Committee – Bylaws Committee Chairman Butch Gautreaux advised that there was no report at this time.

VI. Other Business

Chairman Robichaux encouraged Board Members and Louisiana Lottery Corporation Employees to report any fraud concerns to the Board of Directors. Ms. Hudson also added that Louisiana Lottery Corporation Vice President of Internal Audit Steve Rosales is available to speak with anyone about any fraud concerns.

VII. Announcements

The next meeting of the Louisiana Lottery Board of Directors is scheduled for Friday, October 13, 2017 to be held in the Board of Directors Conference Room of the Louisiana Lottery Corporation Headquarters located at 555 Laurel Street, Baton Rouge, Louisiana.

VIII. Adjournment

There being no further business, Chairman Robichaux invited a motion to adjourn the meeting. Director Reardon made a **motion** to adjourn the meeting and Director Taylor **seconded** the motion. There being no objection, the motion was **approved** and Chairman Robichaux adjourned the meeting at 10:34 a.m.

Date Approved: _____



Wendy Reeves
Executive Administrative Assistant



Lisa Reardon
Secretary to the Board of Directors



Roy Robichaux
Chairman of the Board of Directors

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