

North Carolina Education Lottery
Commission Meeting
Electronic Meeting (WebEx/Teleconference)
Meeting Minutes
Wednesday, December 17, 2025

<i>Commissioners Attending in Person:</i>	Ripley Rand	
	Lindsey Griffin	
	Chris Hayes	
<i>Commissioners Attending Electronically:</i>	Cari Boyce	
	Joshua Malcolm	
	Nigel Long	
	Jason Roth	
	Randy Jones	
<i>Commissioners Absent from Meeting:</i>	Pamela Whitaker	
<i>Others in Attendance:</i>	Daniel Gougherty	Director, Cherry Bekaert Advisory
	Albert Ong	Audit Senior Manager, Cherry Bekaert Advisory
<i>Select Staff:</i>	Mark Michalko	Chief Executive Officer and Executive Director
	William Traurig	Chief Legal Officer
	Frances Little	Executive Assistant to CEO & Executive Director
	Eric Snider	Chief Regulatory Officer
	Cantina Lucas	Director of Human Resources
	Greg Bowers	Chief Financial Officer
	Kimberly Thomas	Director of Internal Audit
	Randy Spielman	Chief Product Officer
	Terri Rose	Chief Brand Officer
	Terri Avery	Chief Sales Officer
	Hayden Bauguess	Chief Government Affairs Officer

The North Carolina State Lottery Commission meeting was held on Wednesday, December 17, 2025, at 10:01 a.m. in-person and electronically via WebEx.

Chair Ripley Rand opened the meeting by calling on William Traurig, Chief Legal Officer, to proceed with the electronic meeting announcements.

Chair Rand made the standard ethics announcements. Chair Rand asked if anyone had a known conflict of interest with respect to any matter coming before the Commission at the current meeting. No conflicts were identified.

Roll call of the Commissioners was taken. Commissioner Pamela Whitaker was absent from the meeting.

Approval of Minutes

Commissioner Cari Boyce moved to approve the September 24, 2025, and October 30, 2025, Commission Meeting minutes. Commissioner Lindsey Griffin seconded the motion, which passed unanimously.

Cherry Bekaert Audit

Mr. Daniel Gougherty, Director, Cherry Bekaert Advisory provided the Commission with a detailed overview of the Audit Executive Summary. Mr. Gougherty covered the introduction of the client service team; results of the audit; internal control communication; corrected and uncorrected misstatements. Mr. Albert Ong, Audit Senior Manager, Cherry Bekaert went on to discuss the qualitative aspects of accounting practices; independence considerations; other required communication; additional other matters; and upcoming financial reporting changes.

The results of the audit were that the Commission received an “Unmodified Opinion” which is the best rating possible.

Revenue Generating Committee Report

Commissioner Nigel Long reported that the Revenue Generating Committee met on December 10, 2025, covering standard departmental reports and one action item.

Product Development

Randy Spielman, Chief Product Officer, gave a Product Development update. The update covered Digital Instant expansion on popular brands and game performance fiscal year to date; game performances; scratch-off game highlights; and the omni-channel execution.

Mr. Spielman presented the Scientific Games SciQ contract expansion addendum in detail to the Commission. Chair Rand inquired as to the amount of players playing the Million Dollar Countdown during the Power Hours promotion versus those playing non-promotion hours. Mr. Spielman responded that there was approximately a 2.5x increase in the number of players during the promotional play hours.

Commissioner Long moved on behalf of the Revenue Generating Committee, that the Commission approve the proposed amendment to the Commission’s existing agreement with Scientific Games to expand the SciQ program, and direct staff to negotiate and execute an amendment on terms consistent with those presented and in the best interest of the Commission. With no questions or discussion, the motion passed unanimously.

Brand Management

Terri Rose, Chief Brand Officer, gave a Brand Management and Communications update which covered the Ultimate Blowout \$50 scratch-off; the Ultimate Up for Grabs; holiday scratch-offs; Pick 3 double draw; Monopoly scratch-offs; the social media benchmark; marketing sponsorships; player wins; introduction of the new NCEL Brand Ambassador Nick Perlin; construction grants; Play Smart campaigns; and project updates.

Sales

Terri Avery, Chief Sales Officer, provided a Sales update to the Commission. The update covered SciQ dispensers; vending expansion; and recruitment.

Finance and Audit Committee Report

Commissioner Jason Roth called on Greg Bowers to present the Finance update.

Finance

Greg Bowers, Chief Financial Officer, gave a finance update that included FY2026 sales by category compared to last fiscal year and budget through November; sales revenue by category YTD through November 2025; distribution of revenue YTD through October 2025 versus October 2024; and FY2026 financial summary YTD through November 2025.

Internal Audit

Kimberly Thomas, Director of Internal Audit, provided a report detailing audit reports regarding Digital Instants; promotions and promotional events; objectivity statements; the 2026 external security audit; Office of the State Auditor Performance Audit; and the internal audit quality assessment review final report.

Operations and Personnel Committee Report

Commissioner Boyce reported in absence of Commissioner Whitaker and called on Cantina Lucas to present the Human Resources update.

Human Resources

Cantina Lucas, Director of Human Resources, provided an update which covered the agency's current total employee headcount of 303; vacancy rate of 1% and turnover rate of 2.6%. The current compensation study was discussed along with new human resource initiatives (the mental health support program; new employee engagement initiatives; and the career pathing program).

Regulated Gaming Committee Report

Commissioner Boyce called on Eric Snider advising that the committee had met and covered two information items and one action item.

Regulated Gaming Update

Eric Snider, Chief Regulatory Officer, gave the Regulated Gaming update. The information covered the revenue report for November 2025 and multiple operator updates.

Mr. Snider next presented in detail the proposed two-part Independent Audit of Internal Controls 24 NCAC 06A. 0427 request for delegation of authority action item. Commissioner Chris Hayes asked if the audit was a requirement in every state. Mr. Snider advised that he could not confirm if it was mandatory in every state and thought that it was an appropriate part of the compliance and

expectations.

Commissioner Boyce moved on behalf of the Regulated Gaming Committee that for purposes of the biennial audits of operators under 24 NCAC 06A .0427 in 2026, the Commission only allow its independent test laboratories and approved independent third-party auditing contractors to conduct those audits. With no questions or discussion, the motion passed unanimously.

Commissioner Boyce moved on behalf of the Regulated Gaming Committee that the Commission delegate to staff the authority to approve third-party independent contractors to conduct operator audits under 24 NCAC 06A .0427. With no questions or discussion, the motion passed unanimously.

Executive Director's Report

Mark Michalko, Chief Executive Officer and Executive Director, called on Mr. Traurig who advised the Commission that the Legal Department had grown by two new members, Erika Jones, Special Deputy Attorney General at the North Carolina Department of Justice and Judy Estevez, Senior Regulatory Counsel. He also advised on their new roles within the organization.

Legislative

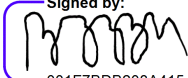
Mr. Bauguess presented a legislative update to the Commission.

Other Business

No other business items were presented.

Adjournment

Commissioner Hayes moved to adjourn the meeting. Commissioner Griffin seconded the motion, which passed unanimously. The meeting adjourned at 11:14 a.m.

Signed by:

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Chair Ripley Rand

3/27/2026

Date