

**North Carolina Education Lottery Commission Meeting  
Minutes**

**Wednesday, September 25, 2024  
In-Person & WebEx/Teleconference**

*Commissioners (In-person Attendance):*

Cari Boyce  
Lindsey Griffin  
Pamela Whitaker  
Randy Jones  
Jason Roth  
Joshua Malcolm

*Commissioners (Virtual Attendance):*

Ripley Rand, Chair

*Commissioners (Not in Attendance):*

Nigel Long  
Chris Hayes

*Select Staff (In-Person Attendance):*

Mark Michalko	Chief Executive Officer and Executive Director
Frances Little	Executive Assistant to CEO & Executive Director
Sterl Carpenter	Chief Regulatory Officer
Hayden Bauguess	Chief Government Affairs Officer
Greg Bowers	Chief Financial Officer
Kimberly Thomas	Director of Internal Audit
Randy Spielman	Chief Product Officer
Terri Avery	Chief Sales Officer
Susan Singley	Director of Advertising
Madison Mackenzie	Senior Attorney
Eric Snider	Deputy General Counsel

*Select Staff (Virtual Attendance):*

William Traurig	Chief Legal Officer
Terri Rose	Chief Brand Officer
Dr. Cheryl Sutton	Director of Supplier Diversity & Outreach

*Also in Attendance:*

Amanda Winters	<i>Program Administrator, NC Problem Gambling Program</i>
Steve May	<i>Sr. Executive, Gov't Affairs, GLI</i>

*The North Carolina State Lottery Commission meeting was held on Wednesday, September 25, 2024, at 10:02 a.m. in-person and via WebEx.*

Chair Ripley Rand opened the meeting and welcomed attendees.

William Traurig, Chief Legal Officer, read the remote 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.

### **Approval of Minutes**

Commissioner Cari Boyce moved to approve the meeting minutes from the June 18, 2024 Commission meeting. Commissioner Joshua Malcolm seconded the motion, which passed unanimously.

### **Problem Gambling Program**

Amanda Winters, Program Administrator for the NC Program Gambling Program, provided an update. The update provided an overview of the NC Problem Gambling Program; increased funding and expanded programing; lottery and sports betting helpline data; FY24 prevention, education, and outreach; gambling research and policy initiative; March Madness campaign; partnerships; and the FY25 budget breakdown. There were no questions from the Commission.

### **Revenue Generating Committee**

Commissioner Joshua Malcolm reported that the Revenue Generating Committee met on September 18, 2024.

### **Product Development**

Randy Spielman, Chief Product Officer, gave an update. The update covered the Q1 scratch-off game review; digital instant game performance; fast play launch; pick 3 promotion; online play; new draw game Cash POP; along with information regarding the Ultimate Dash game.

Mr. Spielman presented the proposed Licensing Agreement with Scientific Games, LLC for a Monopoly branded instant and retail game and discussed terms, services and pricing. The retail scratch-off game would begin Q1 of next fiscal year. Mr. Spielman answered a question from Commissioner Randy Jones. Commissioner Malcolm moved for the Commission to approve the proposed Monopoly game licensing agreement as presented, with direction to Mark Michalko, Chief Executive Officer and Executive Director, and his staff to negotiate and execute an agreement with terms in the best interests of the Commission. A roll call vote was taken and passed unanimously.

Mr. Spielman presented the proposed IGT Contract Addendum for hosting gaming system services and equipment and discussed details, terms, and pricing. There were no questions from the Commission. Commissioner Malcolm moved for the Commission to approve the proposed Contract Addendum as presented, and direct Mr. Michalko and his staff to negotiate and execute an agreement in the best interests of the Commission. A roll call vote was taken and passed unanimously.

## **Brand Management**

Susan Singley, Director of Advertising, provided an update to the Commission. The update covered the FY25 advertising calendar; July scratch-offs, television ads, social promo, Keno bonus hours; August scratch-offs, Game of Thrones television ad, social promo; jackpot awareness; Play Smart platform, goals, microsite and retailer resources; goals; trigger statements; August Play Smart, microsite, and retailer resources; September scratch-off, Bucks social promo, new Fast Play games; Moving NC Students Forward; September Pick 3 double draw promo; social media benchmark; marketing sponsorships; big experiences and wins; community events; the World Lottery Association Level 4 Responsible Gaming recertification; and the diversity spending report for advertising. There were no questions from the Commission.

## **Sales**

Terri Avery, Chief Sales Officer, gave a report detailing the Sales Team Conference. The following topics were covered at the Sales Conference: training for responsible gaming; cash pop retailer training; sales wizard; SCIQ pilot; Cash POP retailer training; holiday showcase dispensers; and retailer recruitment. There were no questions from the Commission.

## **Operations and Personnel**

Commissioner Pamela Whitaker provided a report. Commissioner Whitaker advised that Human Resources continues to fill open positions quickly and that there are currently 10 open positions, 9 for the Lottery and 1 for Sports Betting. Commissioner Whitaker noted the current year-to-date vacancy rate of 3.3% and total turnover rate of 6.76%. Commissioner Whitaker provided a report of the September 18, 2024 Operations and Personnel Committee meeting where one action item was addressed.

Mr. Traurig presented proposed changes to the Commission and Executive Office Policies as part of the required annual policy review process. There were no questions from the Commission.

Commissioner Whitaker moved for the Commission to approve the staff recommendations of edits to Commission and Executive Office Policies 10.1 (Ethic Procedures), 10.3 (Process for Management of the NCEL in the Absence of the Chief Executive Officer and Executive Director), and 10.5 (Rulemaking Policy and Procedure) and that there be no changes to Policies 10.1 (Ethics Procedures) and 10.2 (Corporate Social Responsibility). There was no further discussion. A roll call vote was taken and passed unanimously.

## **Finance and Audit Committee**

### **Finance**

Greg Bowers, Chief Financial Officer, provided a report. The report provided information for the unaudited FY24 sales by category compared to FY23 and FY24 budget; the percentage breakdown of ticket sales revenue by category; distribution of revenue and schedule of net earning FY24 versus FY23; sales earning since inception; administration as a percentage of revenue; financial highlights for FY24; and an unaudited overview and percentage breakdown of the first two months of FY25 sales revenue by category compared to the same period in FY24. Mr. Bowers answered a question from Commissioner Malcolm.

Mr. Bowers presented the proposed award of the RFP for the draw auditing and related services contract to Preston CPA and answered a question from Commissioner Whitaker. Commissioner Roth moved for the Commission to approve the proposed agreement as presented, with direction to staff to negotiate and execute an agreement with terms in the best interest of the Commission. There was no further discussion. A roll call vote was taken and passed unanimously.

### **Internal Audit**

Kimberly Thomas, Director of Internal Audit, provided a report regarding an audit report pertaining to logical security; and an audit report pertaining to purchasing, procurement card, and fixed assets. Ms. Thomas also introduced Mathew Ford, the newly hired IT Auditor, to the Commission. There were no questions from the Commission.

### **Sports Betting**

Commissioner Cari Boyce provided a report that the Sports Betting Committee met on September 18, 2024, and there would be one information item and three action items presented.

Sterl Carpenter, Chief Regulatory Officer, presented a Sports Betting report. The report covered a general update for FY25; the proposed certificate of compliance for permanent places of public accommodation; eSports guidance; and the CaseIQ contract proposal. Steve May, Sr. Executive for Government Affairs at GLI, provided a pari-mutuel wagering implementation update.

### **Certificate of Compliance: Permanent Places of Public Accommodation**

Commissioner Boyce moved for the Commission to approve the proposed Certificate of Compliance for Permanent Places of Public Accommodation as presented with direction to staff to make appropriate revisions to the documents and processes to make necessary technical corrections or to optimize the certificate of compliance process. There was no further discussion. A roll call vote was taken and passed unanimously.

### **eSports Guidance**

Commissioner Boyce moved for the Commission to approve the proposed eSports Guidance and eSports Petition as presented with direction to staff to disseminate the guidance to sports wagering licensees, publish the guidance on the Commission website; and make appropriate revisions to the Petition Form, as needed, to make technical corrections or to optimize the event petition process. There was no further discussion. A roll call vote was taken and passed unanimously.

### **Case IQ Agreement**

Commissioner Boyce moved for the Commission to approve the proposed contract amendment with Case IQ as presented with direction to staff to negotiate and execute an agreement with terms in the best interest of the Commission. There was no further discussion. A roll call vote was taken and passed unanimously.

### **Pari-Mutuel Wagering**

Mr. Carpenter introduced Mr. May, who provided a presentation regarding pari-mutuel wagering history; simulcasting; advanced deposit wagering (“ADW”); and opportunities and challenges for ADW oversight. There were no questions from the Commission.

### **Rulemaking Package 4**

Madison Mackenzie, Senior Attorney reviewed Rulemaking Package 4, including its proposed amendments and new rules; public participation; and timeline. There was a question asked by Commissioner Randy Jones that was answered by Mr. Carpenter.

**Executive Director**

**Diverse Business Spending**

Dr. Cheryl Sutton, Director of Supplier Diversity & Outreach provided an update regarding supplier diversity and outreach. The update covered the FY25 Diverse Spend through August 31, 2024; breakdown of diverse spend by segment; NCEL’s award of the Corporate Partner of the Year by the National Association of Women Business Owners – Greater Raleigh Chapter; as well as the “Working with NCEL” video. There were no questions from the Commission.

**Legislative Report**

Hayden Bauguess, Chief Government Affairs Officer, presented a legislative update regarding current actions occurring within the North Carolina Legislature. There were no questions from the Commission.

**Extremely Important Business**

Chair Rand announced changing the agenda item Other Business to Extremely Important Business for the current meeting. Chair Rand advised that Commissioner Whitaker was the most experienced member of the Lottery Commission serving with distinction for more than eight years during two terms; that Commissioner Whitaker serves on multiple other boards and committees; and that Commissioner Whitaker was being awarded the Order of the Longleaf Pine by the Governor. Mr. Michalko presented the award to Commissioner Whitaker, who accepted.

**Adjournment**

Commissioner Jones moved to adjourn the meeting. Commissioner Malcolm seconded the motion, which passed unanimously. The meeting adjourned at 12:15 p.m.

Signed by:  
  
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Chair Ripley Rand

1/31/2025

Date