

## North Carolina Education Lottery Commission Meeting

### Meeting Minutes

March 17, 2010

*Commissioners in Attendance:* Robert A. Farris Jr., Chairman  
Carla N. Archie  
Max O. Cogburn  
William F. Dowdy  
Bridget-Anne Hampden  
Judge J. Marlene Hyatt  
Lawrence M. Spears  
Pamela M. Whitaker

*Commissioner not in Attendance:* Norwood G. Clark, Jr.

*Staff in Attendance:* Tom Shaheen  
Alice Garland  
Bill Jourdain  
Lou Ann Russell

*The North Carolina Education Lottery Commission meeting was held on Wednesday, March 17, 2010 at 1:00 p.m. at the Comfort Suites University Area Hotel located at 7735 University City Boulevard, Charlotte, NC.*

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### **I. Opening and Approval of Minutes**

- Chairman Farris called the meeting to order and reminded everyone of the North Carolina Education Lottery (NCEL) Commission's firm commitment to serve the people of North Carolina by providing funds for education which should truly be additive and supplemental. Chairman Farris reminded Commission members to complete the Statement of Economic Interest due April 15 and that they should notify the Chair of any changes in their statements of economic interest that could bring about potential conflicts of interest.
- The Reverend Eustacia Moffett-Marshall, Associate Pastor of the C N Jenkins Memorial Presbyterian Church in Charlotte, provided the Invocation.
- The minutes of the December 16, 2009 NCEL Commission meeting were presented for approval. Commissioner Dowdy moved to approve the minutes. Commissioner Cogburn seconded. The motion carried.

### **II. Audit Committee Report**

- Commissioner Cogburn reported Internal Audit finalized the On-line Ticket Validation Audit, Fraud Testing Audit and Retailer Services Audit in the last quarter. Controls in place were adequate, however a few suggestions were made.
- Internal Audit is concluding audits of Cash, Accounts Receivable and Electronic Funds Transfer. Preliminary work is underway for Travel, Motor Fleet and Fixed Assets Audits.
- A follow-up of the implementation of the 13 recommendations and 3 suggestions resulting from the Delehanty Consulting Security Audit was completed. All of the recommendations and suggestions have been closed.

### **III. Operations/Personnel Committee Report**

- Commissioner Archie presented revisions to Policy 4.09, Pre-Employment Processing. The revisions clarify whom the policy addresses, which includes all potential full-time, part-time

and temporary employment hires. The revisions also require, in addition to those employees already identified in the policy, that prospective Human Resources and MIS/Gaming Systems potential hires be fingerprinted prior to employment. Commissioner Archie moved to adopt the revisions to Policy 4.09. Commissioner Dowdy seconded. The motion passed.

#### **IV. Finance Committee Report**

- Commissioner Hampden presented the financials through Jan. 31, 2010. Total revenues transferred to the NC Education Fund year-to-date are \$256.03 million.
- Commissioner Hampden presented the Interactive Voice Response System (IVR) Contract Recommendation.
  - Alice Garland, Deputy Executive Director, Legislative and Corporate Communications, provided an overview of the IVR Contract Recommendation for the automated 800 number. The NCEL's current IVR provider contract expires in June 2010.
  - Eight bids were received and evaluated on financial viability, technical aspects, backgrounds of the companies, and minority participation efforts. Symago LLC, a certified HUB vendor and current NCEL vendor, received the highest score and submitted the lowest bid. After discussion, Commissioner Dowdy moved to approve a three-year contract with three one-year extensions with Symago, LLC. Commissioner Whitaker seconded the motion. The motion passed.
- Commissioner Hampden presented the Revised Purchasing Policy 3.0 which incorporates the Governor's Executive Order No. 50 to enhance purchasing opportunities for North Carolina businesses.
  - Bill Jourdain, Deputy Executive Director, Finance and Administration, presented the revisions to the NCEL Purchasing Policy 3.0 to include the Executive Order and consideration for HUB certified bidders.
  - Commissioner Hampden moved to accept the revisions as presented. Commissioner Hyatt seconded. The motion passed.
- Commissioner Hampden recognized Jim Knight, Director of Finance, and thanked him for his service to the NCEL. Mr. Knight will retire effective April 1, 2010.
- The Commission also recognized and thanked Pam Walker, Director of Communications, who announced her resignation effective March 26, 2010.

#### **V. Executive Director**

- Mr. Tom Shaheen, Executive Director, reviewed the Key Performance Indicators.

#### **Marketing/Advertising Overview**

- Lou Ann Russell, Deputy Executive Director, Marketing and Advertising, presented an overview of Marketing and Advertising activities through the rest of the fiscal year and also presented a recap of key findings from the second phase of the NCEL consumer market research study.

#### **DHHS Annual Report on Problem Gambling**

- Smith Worth, Program Administrator for Problem Gambling for DHHS, provided the annual overview of problem gambling. Ms. Smith reviewed statistics and programs available to those who call for assistance.

There being no further business, Commissioner Archie moved to adjourn. Commissioner Spears seconded the motion. The motion carried.